



Legislation Text

File #: 13-1181, **Version:** 1

Resolution to Approve the Purchase of Ice Control Salt through the Michigan Delivering Extended Agreements Locally (MIDEAL) from Detroit Salt Company (\$245,143.00)

Attached for your approval is a resolution to purchase ice control salt, for the upcoming winter season. Ice control salt is used during the winter season to control snow and ice accumulations on City streets. Last year the City applied 3,593 tons of salt during the winter season. The City used 6,083 tons of salt during the 12/13 season, 7,011 tons of salt during the 10/11 season, 4,882 tons of salt during the 09/10 season, 6,632 tons during the 08/09 season, and 8,500 tons during the 07/08 season.

Annually the State of Michigan solicits a state wide bid for bulk ice control salt, allowing those who participate to receive advantageous pricing. The bid seeks pricing for early fill bulk salt and seasonal back-up supplies. The Detroit Salt Company was the low bidder.

Detroit Salt Company - 2,800 tons at \$34.50/ton - \$ 96,600.00 Early Fill

Detroit Salt Company - 4,100 tons at \$36.23/ton - \$148,543.00 Seasonal Backup

As a result of the City using the MiDeal bid, the quantities are guaranteed. The contract allows the City to purchase up to 130% of the contracted quantity or only 70% of the contracted quantity as conditions warrant. Should the City need more than 130% the cost of material would be based on the market rate. In January of 2009 the market rate reached \$140.00 per ton. This rate is based on supply and demand and the majority of road salt used in Michigan is imported from other areas such as Ontario, Cleveland or Chile.

The Field Operations Unit of Public Services utilizes electronically calibrated spreader controls, attached to all snow removal equipment. These controls regulate the amount of salt being spread and usage is tracked for inventory purposes. With this type of equipment, the City is able to minimize salt usage and comply with the City policy of using the least amount of salt consistent with traffic safety.

Sufficient funds for this purchase are budgeted within the Public Services Area Major and Local Street funds for fiscal year 2014.

Prepared by: Kirk Pennington, Field Operations Supervisor

Reviewed by: Matt Warba, Interim Field Operations Manager and Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The City uses ice control salt on major and local streets during the winter months in response to snow and ice accumulation, with care given to achieving a balance between traffic safety and environmental impacts;

Whereas, Competitive bids were solicited by the State of Michigan for early fill bulk salt, for ice control, and seasonal back-up supplies and Detroit Salt Company submitted the lowest responsible bid;

Whereas, The bid prices are firm through August 31, 2016;

Whereas, Detroit Salt Company is an approved vendor of the State of Michigan and complies with the City's Human Rights Ordinance; and

Whereas, Sufficient funds have been budgeted in the Public Services Area Major and Local Street Funds for the proposed expenditures;

RESOLVED, That a purchase order for the supply of early fill bulk salt, for ice control, and seasonal back-up supplies be authorized to Detroit Salt Company in the amount of \$245,143 (2,800 tons @ \$34.50 Early Fill / 4,100 tons @ \$36.23 Seasonal Backup); and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution.