



Legislation Text

File #: 16-1323, **Version:** 1

Resolution to Approve the Purchase of Ice Control Salt through the Michigan Delivering Extended Agreements Locally (MIDEAL) from the Detroit Salt Company for Early Fill (\$87,612.00) and for Seasonal Backup Supply (\$182,080.00)

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. The City applied 3,794 tons of salt in the FY16 winter, 4,342 tons of salt in FY15, 7,582 tons of salt in FY14 and 6,083 tons of salt during the FY13 winter season.

Budget/Fiscal Impact

Sufficient funds for this purchase are budgeted within the approved FY 17 operations and maintenance budget of the Public Services Area.

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 and seasonal backup supply of ice control salt. Detroit Salt Company was the low bidder for both early fill and the seasonal backup supply.

Early Fill: 2200 tons at \$39.46/ton + \$800.00* for truck loading variances - \$87,612.00
Seasonal Backup: 4000 tons at \$45.52/ton - \$182,080.00

*Due to the difficulty of loading trucks to the exact tonnage ordered, we are seeking an additional \$800.00 above the quantity requested to be able to pay the vendor, Detroit Salt, if overloading should occur on the early fill.

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 material cost would be based on the market rate. In January 2009, the market rate reached \$140.00/ton. This rate is based on supply and demand. The majority of road salt used in Michigan is imported from other areas such as Ontario, Cleveland or Chile.

The Public Works Unit of Public Services utilizes electronically calibrated spreader controls, attached to all snow removal equipment. These controls regulate the amount of salt being spread. Usage is also tracked for inventory purposes. With this type of equipment, the City is able to reduce salt waste during application.

Prepared by: Kirk Pennington, Public Works Supervisor

Reviewed by: Molly Maciejewski, Public Works Manager

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City uses ice control salt on major streets, local streets, and other public space 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 and seasonal backup supply of bulk ice control salt. Detroit Salt Company submitted the lowest responsible bid for both early fill and seasonal backup supply;

Whereas, The bid prices are firm through August 31, 2018;

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

Whereas, Sufficient funds have been budgeted in the approved operations and maintenance budgets of the Public Service Area for the proposed expenditures.

RESOLVED, That a purchase order for the supply of ice control salt for early fill bulk and seasonal backup supply be authorized to The Detroit Salt Company in the amounts of \$87,612.00 (2,200 tons @ \$39.46/ton + \$800.00 for truck loading variances for early fill) and in the amount of \$182,080.00 (4,000 tons @ \$45.52/ton for seasonal backup); and

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