



## Legislation Text

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**File #:** 10-1029, **Version:** 1

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Resolution to Approve the Purchase of Ice Control Salt through the Michigan Delivering Extended Agreements Locally (MiDEAL) from Detroit Salt Company (\$330,000.00)

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 over 4,882 tons of salt during the winter season. The City used 6,632 tons of salt during the 08/09 season, 8,500 tons of salt during the 07/08 season, 4,700 tons during the 06/07 season, and 7,076 tons during the 05/06 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 salt, bulk salt and seasonal back-up supplies. The Detroit Salt Company was the low bidder.

Detroit Salt Company - 6,839.38 tons at \$48.25/ton - \$330,000.00

With 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. If we need more than 130% we will pay the market rate. In January of 2009 the market rate reached \$140.00 per ton. This rate is based on supply and demand and most road salt used in Michigan is imported from other areas such as Ontario, Cleveland or Chile.

The Field Operations Unit of Public Services utilizes spreader controls that will be attached to all snow removal equipment. These controls regulate the amount of salt being spread and will track usage for inventory purposes. With this type of equipment, we are 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 2011.

Prepared by: Craig Hupy P.E., Interim Field Operations Unit Manager

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, 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 effects;

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

Whereas, The bid prices are firm through August 31, 2011;

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 purchase orders for the supply of ice control salt be authorized to Detroit Salt Company in the amount

of \$330,000.00 (6,839.38 tons @ \$48.25); and

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