



Legislation Text

File #: 14-1273, **Version:** 1

Resolution to Approve the Purchase of Ice Control Salt through the Michigan Delivering Extended Agreements Locally (MIDEAL) from North American Salt Company for Early Fill (\$245,556.00) and Detroit Salt Company LLC (\$296,661.30) for Backup Supply

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 7,582 tons of salt during the 13/14 season, 6,083 tons of salt during the 12/13 season, 7,011 tons of salt during the 10/11 season, and 4,882 tons of salt during the 09/10 season.

Budget/Fiscal Impact:

Sufficient funds for this purchase are budgeted within the approved FY 15 operations and maintenance of the Public Services Area Major and Local Street funds.

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 backup supplies. North American Salt Company was the low bidder for early fill and Detroit Salt Company LLC was the low bidder for backup supply.

North American Salt Company - 3200 tons at \$76.58/ton + \$500.00* for truck loading errors - \$245,556.00 Early Fill

Detroit Salt Company LLC - 5590 tons at \$53.07/ton - \$296,661.30 Seasonal Backup

*Due to the difficulty of loading trucks to the exact tonnage ordered, we are seeking an additional \$500.00 above the quantity requested to be able to pay the vendor, North American Salt Company, 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 cost of material 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 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 calibrate 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.

Prepared by: Kirk Pennington, Field Operations Supervisor

Reviewed by: Matt Warba, Field Operations Assistant Manager

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 backup supplies and North American Salt Company submitted the lowest responsible bid for early fill and Detroit Salt Company LLC submitted the lowest responsible bid for seasonal backup;

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

Whereas, North American Salt Company and Detroit Salt Company LLC are approved vendors of the State of Michigan and comply with the City's Human Rights Ordinance; and

Whereas, Sufficient funds have been budgeted in the approved operations and maintenance budgets of 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 backup supplies be authorized to North American Salt Company in the amount of \$245,556.00 (3,200 tons @\$76.58/ton + \$500.00 truck loading errors for early fill) and Detroit Salt Company LLC in the amount of \$296,661.30 (5,590 tons @ \$53.07/ton for seasonal backup); and

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