



Legislation Text

File #: 16-0483R, **Version:** 1

RESOLUTION AUTHORIZING THE PURCHASE OF 5,100 TONS OF ROAD SALT FROM COMPASS MINERALS AMERICA INC. IN THE AMOUNT OF \$301,053.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to purchase five thousand one hundred (5,100) tons of road salt from Compass Minerals America Inc. in the amount of Three Hundred One Thousand Fifty-Three and 00/100th dollars (\$301,053.00), payable from General Fund 110; Department of Public Administration 121; Maintenance Operations 1217; Street Maintenance 2140; Object 5223-01 Salt & Sand Salt.

STATEMENT OF PURPOSE: This resolution authorizes the purchase of 5,100 tons of road salt for the Fall 2016 season in the amount of \$301,053.

Salt pricing is based on delivery location and there are three main delivery points in the City; 105 North 40th Avenue West, 1123 Mesaba Avenue, and 2407 Commonwealth Avenue. The price of salt for the 2016/2017 season is \$59.03 per ton for the 40th Avenue and Mesaba Avenue locations, and \$59.39 per ton for Commonwealth Avenue. This is a 5% reduction from last season, when the prices were \$62.14 per ton for the 40th and Mesaba locations, and \$62.52 per ton for Commonwealth Avenue. Over 90% of salt deliveries are to the 40th Avenue and Mesaba Avenue locations.

This purchase is against Minnesota State Contract Release S-803(5), contract number 77776. Per contract, the City is required to provide an estimate of tons of salt needed for the entire season, and we are obligated to purchase at least 80% of that estimated total. The vendor is contractually obligated to provide up to 120% of the estimated total if the City's needs increase. Estimates are based on a five year average. Estimated usage for last season was 13,000 tons with actual orders of 5,205 tons in Fall 2015 and 9,900 tons in Spring 2016 for a total of approximately 15,105 tons. This season's estimate is 13,100 tons. Some of the salt ordered is mixed with sand.