



Legislation Text

File #: 17-0810R, **Version:** 1

RESOLUTION AUTHORIZING THE PURCHASE OF 9,600 TONS OF ROAD SALT FROM MORTON SALT INC. IN THE AMOUNT OF \$333,696.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to purchase 9,600 tons of road salt from Morton Salt Inc. in the amount of \$333,696, payable from 110-500-1920-5223-01 (General Fund; Public Works and Utilities; Street Maintenance; Salt & Sand Salt).

STATEMENT OF PURPOSE: This resolution authorizes the purchase of 9,600 tons of road salt for the spring 2018 street maintenance season in the amount of \$333,696. The City uses a salt/sand mixture during the winter season to provide for safe and efficient transportation on the City's roadways.

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 2017/2018 season is \$34.29 per ton for Mesaba Avenue and \$34.76 per ton for the 40th Avenue West and Commonwealth Avenue locations. This is approximately a 42% reduction from last season, when the prices were \$59.03 per ton for the 40th Avenue and Mesaba Avenue locations, and \$59.39 per ton for Commonwealth Avenue.

This purchase is against Minnesota State Contract 131788, Release S-763(5). Per contract, the City is required to provide an estimate of tons of salt needed for the entire season, and is 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 13,100 tons with actual orders of 6,837 tons in fall 2016 and 7,763 tons in spring 2017 for a total of 14,600 tons. This season's estimate is 14,000 tons, and the fall 2017 order was for 5,100 tons.