



## Legislation Text

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**File #:** 20-0004R, **Version:** 1

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RESOLUTION AUTHORIZING THE PURCHASE OF 7,000 TONS OF ROAD SALT FROM COMPASS MINERALS AMERICA IN THE AMOUNT OF \$447,390.

**CITY PROPOSAL:**

RESOLVED, that the proper city officials are hereby authorized to purchase 7,000 tons of road salt from Compass Minerals America in the amount of \$447,390, payable from General Fund 110, Department/Agency 500 (Public Works and Utilities), Division 1920 (Street Maintenance), Object 5223-01 (Sand and Salt).

**STATEMENT OF PURPOSE:** This resolution authorizes the tax-exempt purchase of 7,000 tons of road salt for the spring 2020 street maintenance season for up to \$447,390. The city uses a sand/salt mixture to provide for safe and efficient transportation on the city's roadways.

Salt pricing is based upon delivery location, and there are three main delivery points in the city: 105 North 40<sup>th</sup> Avenue West, 1123 Mesaba Avenue, and 2407 Commonwealth Avenue. The price of salt for the 2019/2020 season is \$63.85 per ton for the Mesaba Avenue and 40<sup>th</sup> Avenue West locations and \$64.73 for the Commonwealth Avenue location. This is approximately a 78 per cent increase from the 2018/2019 season, when the prices were \$35.80 per ton for the Commonwealth and 40<sup>th</sup> locations and \$35.32 per ton for the Mesaba location.

This purchase is against Minnesota State Contract 159064, 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 per cent of that estimated total. The vendor is contractually obligated to provide up to 100 per cent of the estimated total if the city's needs increase. Estimates are based upon a five-year average. Usage for last season was 13,883 tons, with actual orders of 5,579 tons in fall 2018 and 8,304 tons in spring 2019. This season's estimate is 13,600 tons, with 6600 tons purchased for fall 2019, leaving 7,000 tons remaining for spring 2020.