



Legislation Text

File #: 23-0040R, **Version:** 1

RESOLUTION AUTHORIZING THE PURCHASE OF 9,500 TONS OF ROAD SALT FROM MORTON SALT, INC. IN THE AMOUNT OF \$583,277.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to purchase up 9,500 tons of road salt from Morton Salt, Inc. in the amount of \$583,277, payable from 110-500-1920-5223-01 (general fund, public works and utilities, street maintenance, salt and sand salt).

STATEMENT OF PURPOSE: This resolution authorizes the tax-exempt purchase of 9,500 tons of road salt for the Winter/Spring 2023 street maintenance season in the amount of \$583,277. The City uses a salt/sand mixture to provide for safe and efficient transportation on the City's roadways.

Salt pricing is based on delivery location and there are four main delivery points in the City: 105 North 40th Avenue West, 1123 Mesaba Avenue, 2407 Commonwealth Avenue and Riley Road Salt shed. The price of salt for the 2022/2023 season is \$61.42 per ton for Mesaba Avenue; \$60.86 per ton for 40th Avenue West; \$63.57 per ton for Commonwealth Avenue; and \$66.18 per ton for Riley Road salt shed; an increase of 9.3% from the 2021/2022 season.

This purchase is against Minnesota State Contract 177615, 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 percent of that estimated total. The vendor is contractually obligated to provide up to 120 percent of the estimated total. Estimates are based on a five-year average. Estimated usage for last season was 13,600 tons with actual orders of 5,067 tons in fall 2021 and 9,251 tons in spring 2022 for a total of 14,318 tons. This season's estimate was also 13,600 tons, with a total of 7,112 tons purchased so far this season and an estimated 9,500 tons to finish out the season. Above normal snow fall totals have increased the need for additional road salt purchases.