



Legislation Text

File #: 18-0607R, **Version:** 1

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to purchase 7,000 tons of road salt from Morton Salt, Inc. in the amount of \$248,680, 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 7,000 tons of road salt for the Fall/Winter 2018 street maintenance season in the amount of \$248,680. 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 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 2018/2019 season is \$35.32 per ton for Mesaba Avenue and \$35.80 per ton for the 40th Avenue West and Commonwealth Avenue locations. This is approximately a 3 percent increase from last season, when the prices were \$34.76 per ton for the 40th Avenue and Commonwealth Avenue locations, and \$34.29 per ton for Mesaba 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 percent of that estimated total. The vendor is contractually obligated to provide up to 120 percent of the estimated total if the City's needs increase. Estimates are based on a five-year average. Estimated usage for last season was 13,600 tons with actual orders of 7,245 tons in fall 2017 and 7,497 tons in spring 2018 for a total of 14,742 tons. This season's estimate is 13,200 tons.