



Legislation Text

File #: 21-0527R, **Version:** 1

RESOLUTION AUTHORIZING THE PURCHASE OF 7,000 TONS OF ROAD SALT FROM MORTON SALT, INC. IN THE AMOUNT OF \$403,730.

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 \$403,730, 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 2021 street maintenance season in the amount of \$403,730. 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 with the addition of the Riley Road Salt shed this past year, there are now four main delivery points in the City: 105 North 40th Avenue West, 1123 Mesaba Avenue, 2407 Commonwealth Avenue and 3525 Riley Road. The price of salt for the 2021/2022 season is \$57.40 per ton for Mesaba Avenue; \$56.88 per ton for 40th Avenue West; and \$61.85 per ton for Commonwealth Avenue; a decrease of 1% from the 2020/2021 season; and \$59.41 per ton for Riley Road.

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 6,428 tons in fall 2020 and 4,624 tons in spring 2021 for a total of 11,052 tons. This season's estimate is 14,000 tons.