



Legislation Text

File #: 20-1126, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Cooperative Procurement 20-370, Rock Salt, to Cargill Inc. for an amount not to exceed \$604,512

DEPARTMENT: Department of Public Works

SUBMITTED BY: Richard Dublinski, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The Department of Public Works (DPW) uses roadway salt for winter operations to maintain safe roadways. Over the past ten years, the City has used an average of 14,000 tons of salt per year. During the mild 2019-20 winter season, the City used approximately 9,000 tons of salt.

The City's total salt dome capacity is 18,000 tons, and there is approximately 15,000 tons of salt currently available in the domes for the 2020-21 winter season. It is the City's policy to have both salt domes substantially full at the beginning of the winter season so that, at minimum, it is prepared for an average to moderately heavy winter season. This initial supply not only provides the City enough salt for application during a typical winter season but also eliminates the reliance on winter delivery which can often be delayed and more expensive.

The chart below shows the pricing received over the past ten years through the State of Illinois Joint Purchasing program.

Winter Season	Cost per Ton
2011/12	\$57.27
2012/13	\$51.91
2013/14	\$52.46
2014/15	\$52.46
2015/16	\$62.35
2016/17	\$44.08
2017/18	\$44.77
2018/19	\$44.77
2019/20	\$94.63

2020/21	\$41.98
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Historically, the cost of salt has fluctuated following a harsh winter or when salt shortages have occurred throughout the Midwest, not just Illinois. In 2019 there was a regional salt shortage due to previous harsh winters. The majority of the stockpiles from salt companies were used or sold during the prior winter. In addition, the two largest salt producers either had strike issues (not producing any salt) or challenges in their mining operations (producing less than average salt) coupled with Illinois waterway closures which delayed shipping and increased costs to the owners which were transferred on to the consumer.

DISCUSSION:

The City has several options for procuring salt. In the past, the City has conducted a bid for summer delivery of salt and has participated in the State of Illinois Joint Purchasing program and the DuPage County Joint Purchasing Program. The City again participated in the State of Illinois Joint Purchasing program for the 2020-21 winter season, Contract #21-416CMSBOSS4-B-16193. The City did not participate in the Joint Purchasing Program with DuPage County as the pricing received from the State of Illinois program has historically been better.

In order to participate in the State of Illinois Joint Purchasing program, the City was required to inform the State how much salt would be needed for the season by April 2020. Under the State's Joint Purchasing Program, the City is required to purchase a minimum of 80% of the amount requested. The selected vendor is required to furnish up to 120% of the amount if requested.

The City requested 12,000 tons of salt through the state bid. Therefore, the City is required to purchase a minimum of 9,600 tons of salt and can order as much as 14,400 tons of salt depending on need. DPW requested 12,000 tons of salt so that the salt domes can be replenished during the winter 2020-21 winter season.

The price under this contract is \$41.98 per ton, a 56% decrease from the 2019-20 price of \$94.63 per ton.

DPW staff has been taking measures to limit the use of salt due to its high cost and environmental impacts. Over the years, DPW has lowered application rates when conditions warrant and have postponed the application of salt on residential streets, including cul-de-sacs, until after plowing is complete in some circumstances. These operational changes have resulted in an average reduction in quantity needed of nearly 5,000 tons of salt per year. Also, in 2019 DPW retrofitted the salt spreader control systems on all plow trucks. This two-year upgrade program will allow supervisors the ability to remotely control salt spread to ensure operational consistency and adherence to best practices for environmentally-sound snow and ice removal.

FISCAL IMPACT:

CIP #: N/A

Roadway salt is expensed to the salt and chemicals accounts listed below. The totals provided reflect the 2021 proposed budget, as the majority of this contract will occur during that period. A total of \$604,512 has been budgeted for roadway salt in 2021. It is anticipated that there will be sufficient funds to accommodate the requested award.

Account Number	Fund Description	Proposed 2021 Total Budget Amount
31251100-541409	General Fund	\$647,032
31251200-541409	Commuter Parking Fund	\$41,980