



Legislation Text

File #: 18-749, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Cooperative Procurement 18-225, Roadway Salt, to Morton Salt Inc. for an amount not to exceed \$644,688

DEPARTMENT: Department of Public Works

SUBMITTED BY: Richard Dublinski, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

Road salt is required for winter operations by the Department of Public Works (DPW). During the 2017/18 winter season, the city used approximately 13,000 tons of salt. Over the past ten years, the city has used an average of 16,000 tons of salt each year.

However, DPW staff has been taking measures to limit the use of salt due to its high cost and environmental impacts. Over the past few years, DPW has changed procedures for salting cul-de-sacs. 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, which equates to over \$200,000 of cost savings annually.

The City's goal is to have the 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 salt supply not only provides the City enough salt for application during an average winter season but also eliminates the reliance on winter delivery. The ultimate capacity of the City's salt domes is 18,000 tons, and the domes are currently substantially full.

Historically, the cost of salt has fluctuated from a low of \$39.31 per ton in 2007/08 to a high of \$62.35 per ton on the State bid and \$70.44 per ton on the DuPage County bid in 2015/16. The price of salt has historically increased dramatically following a harsh winter or when salt shortages have occurred.

DISCUSSION:

The City is again participating in the State of Illinois Joint Purchasing Program for the 2018-2019 winter. Under the State's Joint Purchasing Program, the City is required to purchase a minimum of 80% of the amount requested and the selected vendor is required to furnish up to 120% of the amount, if requested. Staff 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 would be allowed to order as much as

14,400 tons of salt depending on need. The price under this contract is \$44.77 per ton, a 0% increase from last year's price.

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 addition, the quantity needed for the 2018/19 season did not warrant having multiple vendors. The current price of roadway salt through the DuPage County cooperative bid is \$67.15 per ton.

FISCAL IMPACT:

CIP #: N/A

Roadway Salt is expensed to the salt and chemicals accounts below. The totals provided reflect the 2019 proposed budget, as the majority of this contract will occur during that period. The General Fund budget is \$577,533 and \$67,155 is budgeted in the Commuter Parking Fund for salt.

If the City experiences an average winter in 2018/19, we anticipate that the total tons requested will return to the average of 16,000 tons in the 2020 budget.

Account Number	Fund Description	Proposed Budget Amount
31251100-541409	General Fund	\$662,033
31251200-541409	Commuter Parking Fund	\$67,155