



Legislation Text

File #: 17-670, **Version:** 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the Award of Cooperative Procurement 17-217, Roadway Salt, to Morton Salt Inc. for an amount not to exceed \$537,240.

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. During the mild 2016/17 winter season, the city used approximately 8,500 tons of salt. By comparison, 22,000 tons of salt were used during the active 2013/14 winter season. Over the past ten years, the city has used an average of 16,000 tons of salt each year.

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.

DPW staff has been taking measures to limit the use of salt due to its high cost and environmental impacts. Over the past couple of 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 5,000 tons of salt per year, which equates to over \$200,000 of cost savings annually.

Historically, the cost of salt has increased from \$39.31 per ton in 2007/08 to \$62.35 per ton on the State Bid and \$70.44 per ton on the DuPage County Bid for the 2015/16 salting season. The price of salt on the State Bid decreased to \$44.08 for the 2016/17 season. Due to the mild 2016/17 winter season, there was a budget savings of more than \$200,000 in CY17 as only 9,600 tons of salt was ordered.

DISCUSSION:

The City is again participating in the State of Illinois Joint Purchasing program for the CY18 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 10,000 tons of salt through the state bid. Therefore, the City is required to purchase a minimum of 8,000 tons of salt and would be allowed to order as much as 12,000 tons of salt depending on need. The price under this contract is \$44.77 per ton, an increase of \$.69 per ton 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 2017/18 season did not warrant having multiple vendors. The current price of roadway salt through the DuPage County cooperative bid is \$51.49 per ton.

FISCAL IMPACT:

CIP #: N/A

Roadway Salt is expensed to the supply accounts below. The totals provided reflect the CY2018 proposed budget, as the majority of this contract will occur during that period. The CY2018 budget request for salt purchases reflects both a decrease in the total tons of salt requested based on the mild winter in 2016/17 and the increased price of salt. The General Fund will budget \$470,085 and \$67,155 will be budgeted in the Burlington Fund for salt. This results in a savings of \$102,955 in the General Fund in CY2018 for salt.

If we have an average winter in 2017/18, we anticipate that the total tons requested will return to the average of 16,000 tons in the CY2019 budget.

Account Number	Fund Description	Proposed Budget Amount
010-4230-431.60-66	General Fund	\$670,985
104-4410-434.60-66	Burlington Fund	\$76,120