

COUNCIL ACTION FORM

SUBJECT: 2015/16 SNOW AND ICE CONTROL PROGRAM ROCK SALT

BACKGROUND:

This contract is to furnish rock salt for the 2015/16 Ice Control Program. Materials are to be delivered as requested by the City throughout the winter season. The estimated total cost is based on 2,500 ton.

The following bids were received on April 15, 2015:

<u>BIDDER</u>	<u>UNIT PRICE</u>	<u>ESTIMATED TOTAL COST</u>
Independent Salt Co., Kanopolis, KS	\$67.74/ton	\$169,350.00
Cargill, North Olmsted, OH	\$82.33/ton	\$205,825.00
Midwest Salt, LLC, Batavia, IL	\$93.00/ton	\$232,500.00
Compass Minerals American Inc., Overland Park, KS	\$98.71/ton	\$246,775.00
Central Salt LLC, Elgin, IL	\$115.68/ton	\$289,200.00
Morton Salt, Chicago, IL	No Bid	

The approved 2015/16 operating budget for the Public Works Department includes \$162,500 for rock salt, based on the current unit price of \$65.74 per ton. The estimated cost of this contract, based on the typical annual quantity of 2,500 tons, is \$169,350. This results in a deficit of \$6,850 in the operating budget. This amount will be updated, as needed, during the 2015/16 budget amendment process this fall. The low bid of \$67.74 represents an increase of 3% from the current contract. Nationally, rock salt bids have seen an increase of approximately 10%.

Because of the mild winter last year, the Public Works Department only purchased approximately two-thirds of the typical amount of salt. Approximately 1,000 tons of salt are still on hand with the City. While this contract allows the City to purchase up to 2,500 tons of salt, not all of that amount will likely be needed because of the surplus from last winter, in which case a budget amendment would not be necessary.

ALTERNATIVES:

1. Award the contract for the 2015/16 rock salt requirements to Independent Salt Co., of Kanopolis, Kansas, in the amount of \$67.74 per ton, to be delivered as requested by the City throughout the winter season.

2. Award the contract to one of the other companies that provided an acceptable bid for rock salt.
3. Reject all bids and attempt to purchase rock salt on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

Independent Salt Co. has provided satisfactory service to the City in the past.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving award of contract for the 2015/16 rock salt requirements to Independent Salt Co., of Kanopolis, Kansas, in the amount of \$67.74 per ton, to be delivered as requested by the City throughout the winter season.