

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF ROCK SALT FOR 2008/09 ICE CONTROL PROGRAM

BACKGROUND:

This contract is to furnish rock salt for the 2008/09 Ice Control Program. Materials are to be delivered as requested by the City throughout the winter season.

The Operations Division of the Public Works Department had difficulty getting salt delivered during our last contract period. Last year's low bid was from Central Salt LLC at a cost of \$47.56/ton, with an estimated need for 2000 tons. The City actually was only able to acquire 811 tons from Central Salt. During some of the periods when Central Salt would not deliver salt to Ames, the City was able to purchase 400 tons from Independent Salt Co. on the spot market at \$60.00/ton.

Each year the Iowa Department of Transportation (IDOT) solicits an annual rock salt bid and extends an invitation to cities and counties to participate. Since the IDOT also experienced difficulty receiving salt deliveries last year, they have strengthened their bid language to increase the likelihood of receiving salt when it is ordered. Given our City's difficulty in procuring salt last year, the Public Works Department decided to explore participating in the IDOT bid.

The IDOT received two bids for the Ames location.

<u>BIDDER</u>	<u>UNIT PRICE</u>	<u>ESTIMATED TOTAL COST</u>
Independent Salt Company, Kanopolis, KS	\$ 57.88/ton	\$115,760
North American Salt Inc., Overland Park, KS	\$142.68/ton	\$285,360

The approved 2008/09 Public Works operating budget includes \$80,000 for snow and ice control chemicals. The estimated cost of this contract, based on a quantity of 2,000 tons, is \$115,760. This cost increase beyond the budgeted amount is mainly due to higher costs of trucking. Diesel fuel cost has risen \$.95/gallon since last year. The operating budget will need to be amended to reflect this increased cost.

ALTERNATIVES:

1. Waive the City's bidding requirements and authorize participation in the IDOT's 2008/09 rock salt contract to Independent Salt Company, Kanopolis, KS, in the amount of \$57.88 per ton, to be delivered as requested by the City throughout the contract period.
2. Do not participate in the IDOT's 2008/09 rock salt contract and solicit independent bids to meet the City's requirements.

3. Attempt to purchase rock salt during 2008/09 from the spot market on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

Delivery of rock salt is a major winter concern for the Public Works Department. The IDOT had similar delivery issues last year and attempted to address that issue in their annual bid. By participating in the IDOT's contract, City staff anticipates fewer delivery problems with the upcoming contract period due to the IDOT's stronger contract language and the fact that Independent Salt Company was a more reliable salt provider last winter. While the City could forego participating in the IDOT contract and seek better bids on its own, staff does not believe that any cost savings would offset the greater likelihood of again experiencing delivery problems next winter.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby waiving the bidding requirements and approving award of contract for the 2008/09 rock salt requirements to Independent Salt Company, Kanopolis, KS, in the amount of \$57.88 per ton, to be delivered as requested by the City throughout the contract period.

CAF APPROVAL

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DM _____ JP JP

To be sent to _____
