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COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 07/25/05
Agenda Item Type: Resolution

Communication No.: 05-406
Roll Call No.:

Submitted by: William G. Stowe, Assistant City Manager/Public Works/Engineering

SUBJECT—

2005/2006 Salt Contract for Snow and Ice Control Operations

SYNOPSIS—

An inability to receive 'road salt' by rail has led to significant changes in salt pricing. The City of Des Moines requested bids from five salt suppliers and received only one bid at a per unit cost of \$50.45 per ton, a 92 percent increase over last year's purchase price of \$26.29 per ton. The bid was rejected. The Public Works Department has now joined with 17 other public agencies in a combined bid for salt for the 2005/2006 snow and ice control season. Cargill, Inc.- Deicing Technology (Phil Knapp, Sales Manager, 24950 Country Club Blvd., Suite 450, North Olmsted, OH 44070) was the low bid, at a cost of \$37.99 per ton. Staff recommends the purchase of 8,000 tons at the bid price for a total of \$303,920.

FISCAL IMPACT—

\$303,920. Funding is currently available in the Public Works Department's Operating Budget.

RECOMMENDATION—

Approval.

BACKGROUND—

The City of Des Moines' Snow and Ice Control Program includes the use of salt and salt/sand mixtures throughout the winter season. An estimated 8,000 tons of salt are used each year. On March 17, 2005, the City requested bids for salt from five suppliers. Only one company submitted a bid. That bid was in the amount of \$50.45 per ton or \$24.16 per ton (92%) over the 2004/2005 season cost of \$26.29 per ton.

Although an increase was anticipated due to the loss of rail service caused by a lack of rail cars, and increases in fuel costs, the bid submitted was considered high and rejected. To obtain more favorable bids, the City of Des Moines participated in a joint bid process with the City of West Des Moines, Polk County, and 15 other public agencies. Because of the larger quantity of salt involved, a more competitive bid of \$37.99 per ton was received. Therefore, approval to purchase 8,000 tons at the bid price is recommended.