

 <div style="text-align: center;"> <h1 style="margin: 0;">Council Communication</h1> <p style="margin: 0;">Office of the City Manager</p> </div>	<b>Date</b>	March 29, 2010
	<b>Agenda Item No.</b> <u>6</u> <b>Roll Call No.</b> <u>10-</u> <b>Communication No.</b> <u>10-170</u> <b>Submitted by:</b> William G. Stowe, Assistant City Manager--Public Works Director	

## **AGENDA HEADING:**

Approving the 2010/2011 Salt Purchase Contract for Snow and Ice Control Operations.

## **SYNOPSIS:**

Salt purchases from Hutchinson Salt for this past winter's snow and ice control operations are nearly exhausted, requiring procurement of additional salt for the winter of 2010/11. Cargill, Dale Fehrenbach, President, 24950 Country Club Blvd., Suite 450, North Olmsted, OH 44070, is offering to sell the City up to 10,000 tons of salt at a cost well below that of Hutchinson Salt's price last year of \$57.17 per ton. Cargill has contacted the Central Iowa Salt Group (CISG) regarding a March 31, 2010 closure of their facility in Dubuque, and their desire to sell existing rock salt inventories at that location for \$52.50 per ton, for a total of up to \$525,000. The City Manager recommends that the salt be exempted from the competitive bidding requirements for good cause shown, pursuant to Section 2-710(a) of the Municipal Code of the City of Des Moines.

## **FISCAL IMPACT:**

Amount: Up to \$525,000

Funding Source: FY 2010-11 Public Works Department Operating Budget, Fund SP360, Org PWK040400, Street Maintenance, page 277. Expenses will accrue to the FY10-11 budget, which produces a lower than anticipated cost to the total budget.

## **ADDITIONAL INFORMATION:**

The CISG historically bids for rock salt in the spring of each year for multiple governmental entities in the metro area. On May 18, 2009, by Roll Call No. 09-877, Council approved the purchase of 7,730 tons of rock salt from Hutchinson Salt Company at a cost of \$57.17 per ton, for a total of \$441,924.10, for the 2009/10 winter season.

The City of Des Moines' Snow and Ice Control Program involves the use of salt and salt/sand mixtures throughout the winter season. The salt purchases from Hutchinson Salt for this past winter's snow and ice control operations are nearly exhausted, requiring procurement of additional salt for the winter of 2010/11. Council's approval of this timely order of salt is requested to achieve an estimated savings of approximately \$46,700, based on Hutchinson's price of \$57.17 from last year.

Comparison quotes at current prices were obtained the week of March 22, 2010 from Independent Salt Company (\$62.10/ton) and North American Salt Company (\$82/ton). These prices provide further

evidence that pricing offered by Cargill is of excellent value. Therefore, procurement of up to 10,000 tons of salt from Cargill at a cost of \$52.50 per ton is recommended.

**PREVIOUS COUNCIL ACTION(S):**

Date: February 22, 2010

Roll Call Number: 10-273

Action: Regarding operational emergency purchases made for snow and ice control supplies for use by the Public Works Department, \$187,175. (Hutchinson Salt Co. for \$158,175 and Jerico Services for \$29,000) (Council Communication No. 10-093) Moved by Hensley to adopt. Motion Carried 7-0.

Date: June 8, 2009

Roll Call Number: 09-1010

Action: Jerico Services and Smith Fertilizer and Grain for joint purchase along with the cities of West Des Moines, Waukee and Johnston, and Polk and Dallas Counties for deicing chemicals for use by the Public Works Department, estimated cost \$56,130. (Thirteen bids mailed, three received). (Council Communication No. 09-394) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: May 18, 2009

Roll Call Number: 09-877

Action: Hutchinson Salt Co. for rock salt to be used by the Public Works Department, \$501,504.10. (Ten bids mailed, three received). (Council Communication No. 09-318) Moved by Kiernan to adopt. Motion Carried 6-1. Absent: Cownie

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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