

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 12, 2010
	Agenda Item No. 28D Roll Call No. <u>10-1144</u> Communication No. <u>10-439</u> Submitted by: William G. Stowe, Assistant City Manager--Public Works Director

AGENDA HEADING:

Approving One-year Extension of 2009/2010 Salt Purchase Contract for 2010/2011 Snow and Ice Control Operations.

SYNOPSIS:

Recommend approval of extension of annual contract for salt to be used during the 2010-2011 snow and ice control operations. On May 18, 2009, by Roll Call No. 09-877, Council awarded the annual contract for rock salt to Hutchinson Salt Co. (Larry Bingham, President, 136 W. 12th, Baxter Springs, KS 66713) for the 2009-2010 snow and ice control season, which provided for two one-year extensions with price adjustments based on the Consumer Price Index and fuel adjustment based on the Iowa Department of Transportation fuel adjustment chart. The Central Iowa Salt Group (CISG) approved the extension of the contract for the 2010-2011 snow and ice control season with the cost delivered to the Metropolitan Salt Storage Facility at \$58.60 per ton, or \$216,820 for the 3,700 tons required to fill the facility, and the cost delivered to the City of Des Moines Public Works storage facility at \$61.07 per ton, or \$59,237.90 for the 970 tons required to fill the facility, for a total cost of \$276,057.90. Staff recommends approval of the contract extension to Hutchinson Salt Co. to provide rock salt to be used during the 2010-2011 winter season.

FISCAL IMPACT:

Amount: \$276,057.90

Funding Source: FY 2010-11 Public Works Department Operating Budget, Fund SP360, Org PWK040400, Street Maintenance Fund, page 277.

ADDITIONAL INFORMATION:

The City of Des Moines' Snow and Ice Control Program involves the use of salt and salt/sand mixtures throughout the winter season. The winter of 2009-10 required an excess of 14,000 tons. Due to last year's extremely severe winter weather, the Department of Public Works' pre-season supplies of rock salt and liquid calcium chloride were nearly exhausted. On February 22, 2010, by Roll Call No. 10-273, Council approved an emergency purchase of up to 2,250 tons of rock salt materials from Hutchinson Salt Company at a cost of \$70.30/ton, and 40,000 gallons of liquid calcium chloride from Jerico Services, Inc. at the pre-season bid price of \$0.725 per gallon for a total of \$29,000, necessary to ensure adequate

supplies for the remainder of the winter season.

In March 2010, Cargill contacted the CISG regarding an offer to sell up to 10,000 tons of rock salt at a reduced price of \$52.50 per ton for a total of up to \$525,000—an estimated savings of approximately \$46,700 based on Hutchinson's price of \$57.17 from last year. Council approved this purchase on March 29, 2010 by Roll Call No. 10-477.

To obtain more favorable bids, the City of Des Moines has participated in a joint bid process with the CISG. Because of the larger quantity of salt involved, more competitive bid prices are received. This winter season, the City of Des Moines will again have the ability to have delivery and storage of the entire winter requirement for salt due to the construction of the Metropolitan Salt Storage Facility in Grimes, Iowa. Procurement will bring the City's total on-hand quantity to 14,600 tons for the 2010-2011 winter season.

PREVIOUS COUNCIL ACTION(S):

Date: March 29, 2010

Roll Call Number: 10-477

Action: Approving exception to procurement ordinance competitive bidding requirements for good cause and approving procurement of up to 10,000 tons of rock salt at a cost of \$525,000 from Cargill (Dale Fehrenbach, President). (Council Communication No. 10-170) Moved by Griess to adopt. Motion Carried 6-1.

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: 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.

Date: August 11, 2008

Roll Call Number: 08-1444

Action: [Bid](#) from Hutchinson Salt Co. and Central Salt LLC for rock salt to be used by Public Works, Street Maintenance Division (cooperative effort with West Des Moines, Polk County and 17 other public entities representing the Central Iowa Salt Group (CISG)). (Ten bids mailed, three received.) ([Council Communication No. 08-490](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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