

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 11, 2011
	Agenda Item No. 37 Roll Call No. <u>11-1219</u> Communication No. <u>11-460</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 2011/2012 Snow and Ice Control Operations

SYNOPSIS:

Recommend approval of extension of annual contract for salt to be used during the 2011-2012 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 – Urban Consumers (CPI-U) and fuel adjustment based on the Iowa Department of Transportation fuel adjustment chart. Based on the CPI-U, there is an increase of 3% over last year’s salt prices. The Central Iowa Salt Group (CISG) approved the extension of the contract for the 2011-2012 snow and ice control season with the cost delivered to the Metropolitan Salt Storage Facility at \$60.36 per ton, or \$555,312 for the 9,200 tons required to fill the facility, and the cost delivered to the City of Des Moines Public Works storage facility at \$62.90 per ton, or \$81,770 for the 1,300 tons required to fill the facility. Final price adjustments, using the fuel escalator that was approved in the original contract, will be made upon ordering the salt. This may result in an estimated additional cost of up to \$4.00 per ton, for a total cost of \$679,082. Staff recommends approval of the contract extension to Hutchinson Salt Co. to provide rock salt to be used during the 2011-2012 winter season.

FISCAL IMPACT:

Amount: \$679,082

Funding Source: FY 2011-12 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 2010-11 required approximately 10,500 tons of salt to keep the City’s streets in good winter driving condition.

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 2011-2012 winter season.

PREVIOUS COUNCIL ACTION(S):

Date: July 12, 2010

Roll Call Number: 10-1144

Action: [Hutchinson](#) Salt Co. (Larry Bingham, President) for one-year contract renewal of rock salt purchases to be used by Public Works for 2010-2011 snow and ice control operations (Cooperative effort with West Des Moines, Polk County and 17 other public entities representing the Central Iowa Salt Group (CISG)), \$276,057.90. (Ten bids mailed, three received). ([Council Communication No. 10-439](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

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.**

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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