

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	June 10, 2013
	Agenda Item No.	34
	Roll Call No.	<u>13-911</u>
	Communication No.	<u>13-286</u>
	Submitted by:	Patrick J. Kozitza, Public Works Director (Interim)

AGENDA HEADING:

Approving one (1) year Extension of 2012/2013 Salt Purchase Contract for 2013/2014 Snow and Ice Control Operations.

SYNOPSIS:

Recommend approval of extension of annual contract for salt to be used during the 2013-2014 snow and ice control operations. On June 11, 2012, by Roll Call No. 12-0904, Council awarded the annual contract for rock salt to Hutchinson Salt Company (Larry Bingham, President, 136 West 12th, Baxter Springs, Kansas 66713) for the 2012-2013 snow and ice control season, which provided for two (2) one (1) 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 (IDOT) fuel adjustment chart. Based on the CPI-U, there is an increase of 2% over last year’s salt prices. The Central Iowa Salt Group (CISG) approved the extension of the contract for the 2013-2014 snow and ice control season with the cost delivered to the Metropolitan Salt Storage Facility at \$57.03 per ton, or \$684,360 for the 12,000 tons required to fill the facility, and the cost delivered to the City of Des Moines Public Works storage facility at \$57.03 per ton, or \$171,090 for the 3,000 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 \$1.00 per ton, for a total cost of \$870,450. Staff recommends approval of the contract extension to Hutchinson Salt Co. to provide rock salt to be used during the 2013-2014 winter season.

FISCAL IMPACT:

Amount: \$870,450

Funding Source: FY 2013-14 Public Works Department Operating Budget, Fund SP360, Org PWK040400, Street Maintenance Fund, page 251

ADDITIONAL INFORMATION:

The City of Des Moines’ Snow and Ice Control Program involves the use of salt, salt/sand mixtures, and salt brine throughout the winter season.

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 15,000 tons for the 2013-2014 winter season.

PREVIOUS COUNCIL ACTION(S):

Date: June 11, 2012

Roll Call Number: [12-0904](#)

Action: [Hutchinson](#) Salt Co. (Larry Bingham, President) for joint purchase along with the City of West Des Moines, Polk County and 20 other public entities representing the Central Iowa Salt Group (CISG) for rock salt to be used by the Public Works Department, \$206,867. (Eight bids mailed, four received). ([Council Communication No. 12-268](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: July 11, 2011

Roll Call Number: 11-1219

Action: [Hutchinson](#) Salt Co. (Larry Bingham, President) for one-year contract renewal for rock salt purchases to be used by Public Works for 2011-2012 snow and ice control operations (Cooperative effort with West Des Moines, Polk County and 20 other public entities representing the Central Iowa Salt Group (CISG), \$679,082. (Ten bids mailed, three received). ([Council Communication No. 11-460](#)) Moved by Meyer to adopt. Motion Carried 7-0.

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.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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