

COUNCIL COMMUNICATION

From: The City Manager

Subject: Road Salt for FY2009 Winter Season

Manager's Recommendation:

I recommend that the bid from North American Salt Company, Inc. be accepted at the State-bid price and that a purchase order be approved and issued to them in the amount of \$139,020.00 for 3,500 tons of road salt for the 2009 winter season.

This vendor meets all requirements of the State of Michigan Contract Compliance Policy, which supersedes the City of Saginaw's Contract Compliance Provisions, Title 1, Chapter 14, §14.35 – 14.44, of the Saginaw Code of Ordinances.

Funds for this purchase are budgeted in the Major and Local Streets Fund Account Nos. 202-4655-841-7340 (\$100,000.00), 202-4692-841-7340 (\$5,000.00) & 203-4655-841-7340 (\$34,020.00) and will be accounted for through the Municipal Streets Fund Account No. 204-4615-781-7340.

Justification:

On April 18, 1977, City Council approved a cooperative purchasing agreement with the State of Michigan, which allows the City to purchase material and equipment at State-bid pricing. The City has used this agreement to purchase road salt for ice control. North American Salt Co. was the low bidder at \$39.72 per ton for 3,500 tons. This price per ton includes the salt, weighing and loading, handling and the truck freight charges. This compares to a price of \$35.24 per ton for the bulk shipment of 1,478 tons received in February 2008.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.