

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Road Salt for City Streets FY09

**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 \$65,250.67 for 1,569.28 tons of road salt.

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 available in the Major and Local Streets Fund Account Nos. 202-4655-841.73-40 (\$45,675.47), 202-4692-841.73-40 (\$1,957.52) & 203-4655-841.73-40 (\$17,617.68) and will be accounted for through the Municipal Streets Fund Account No. 204-4615-781.73-40.

**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.

In addition to the 2,500 tons of salt purchased by the City to fill the salt storage facility, the City has contracted for an additional 1,500 tons of salt. This salt is necessary to ensure that enough salt is available for City crews to de-ice the City streets while allowing enough salt to be left over for possible ice storms in the spring and the following fall.

North American Salt Company of Overland Park, Kansas was the low bidder at \$41.58 per ton. This price per ton includes the salt, weighing and loading, handling and the truck freight charges. This compares to a price of \$39.72 per ton for the bulk shipment of 2,500 tons received in October 2008.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.