

COUNCIL COMMUNICATION

From: The City Manager

Subject: Road Salt for City Streets FY10

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 \$78,268.16 for the purchase of road salt for fiscal year 2010.

This vendor meets all requirements of §14.23, " Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds are budgeted in the Major and Local Streets Funds, Street and Road Materials Account Nos. 202-4655-841-73-40 (\$60,002.12), 202-4692-841-73-40 (\$5,204.00) and 203-4655-841-73.40 (\$13,062.04) 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.

North American Salt Company of Overland Park, Kansas was the low bidder at \$52.04 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. The City has contracted for 1,504 tons of early delivery salt.

Council Action

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