



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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www.rochesterhills.org

Legislative File No: 2013-0144

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., DPS Director
DATE: April 22, 2013
SUBJECT: Rock Salt

REQUEST:

City Council is requested to authorize a blanket purchase order to Detroit Salt Company LLC, Detroit, Michigan, for the purchase of rock salt in the amount not-to-exceed \$162,785.00

REASON FOR PURCHASE:

Sealed bids were solicited for sodium chloride (rock salt) by the Road Commission for Oakland County on behalf of the Michigan Intergovernmental Trade Network (MITN) in April 2011. As a cooperative bid 214,200 tons of salt for 29 governmental entities, including the City of Rochester Hills, was bid. The lowest responsive, responsible bidder was Detroit Salt Company LLC at a bid price of \$46.51 per ton. The cooperative is exercising its third year option to renew maintaining firm pricing at \$46.51 per ton.

Reviewing past usage, the City's estimated quantity is 3,500 tons for the 2013-2014 winter season. Under the terms of the contract each agency guarantees ordering a minimum of 70% of the award total, but is also allowed to order up to 130% of their estimated usage each year at the price bid. Quantities will be managed by the Department of Public Service to insure an adequate supply.

It is anticipated that the rock salt usage for the 2013-2014 winter season will be reduced based on current inventory and the efficient application of brine and other ice control products.

PROCESS:

Vendor Name and Address:

Detroit Salt Company LLC
12841 Sanders St
Detroit MI 48217

Reason for Selection:

Lowest, responsive, responsible bid

Method of Purchase:

Blanket Purchase Order

BUDGET:

*Salt has historically used 55% Major Roads, 45% Local Roads

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Roads	482.781000	Winter Maintenance Materials	\$143,020	\$89,532	\$53,488
Local Roads	484.781000	Winter Maintenance Materials	\$120,880	\$73,253	\$47,627
Totals:			\$263,900	\$162,785	\$101,115

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize a blanket purchase order to Detroit Salt Company LLC, Detroit, Michigan for the purchase of rock salt in the amount not-to-exceed \$162,785.00 through June 30, 2014.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		