



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2016-0279

**TO:** Mayor and City Council Members  
**FROM:** Allan E. Schneck, P.E., Director of Public Services  
**DATE:** August 8, 2016  
**SUBJECT:** Purchase Authorization for Rock Salt for the 2016/2017 Winter Season

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**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 \$ 200,000.00 through June 30, 2017.

**REASON FOR PURCHASE:**

Sealed bids were solicited for sodium chloride (rock salt) by the City of Farmington Hills on behalf of the Michigan Intergovernmental Trade Network (MITN) in April, 2015. The bid called for a one year term with the option to renew for an additional year. As a cooperative, 85,650 tons of salt for 35 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 \$56.61 per ton for the 2016/2017 season, if delivered before 10/1/2016 and \$59.11 per ton, if delivered on/after 10/1/2016. Detroit Salt has agreed to exercise year two of the bid at the early fill rates for the full 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 were estimated at 3,000 tons and will be managed by the Department of Public Services to insure an adequate supply.

**PROCESS:**

**Vendor Name and Address:**

Detroit Salt Company LLC  
12841 Sanders St  
Detroit, MI 48217

**Reason for Selection:**

Lowest, responsive, responsible bidder

**Method of Purchase:**

Blanket Purchase Order

**BUDGET:**

Funding is included in the 2016 Adopted Budget, and 2017 Proposed Budget.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Major Road	482.781000	Material	\$105,000	\$100,000	\$5,000
Local Street	484.781000	Material	\$105,000	\$100,000	\$5,000
		<b>TOTAL</b>	<b>\$210,000</b>	<b>\$200,000</b>	<b>\$10,000</b>

**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 \$200,000 through June 30, 2017.

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		