



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
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www.rochesterhills.org**

Legislative File No: 2006-0386

TO: Mayor and City Council Members
FROM: Roger Rouse, Director of Public Service
DATE: May 18, 2006
SUBJECT: Rock Salt

REQUEST:

City Council is requested to approve a blanket purchase order to Detroit Salt, Detroit Michigan for the purchase of rock salt for the winter season 2006-2007 in the amount not-to-exceed \$153,615.00 through June 30, 2007, as primary vendor and North American Salt Company, Overland Park, Kansas, as secondary vendor.

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) with three responding bids. As a cooperative bid 153,700 tons of salt for 17 governmental entities was bid, of which 5500 tons is Rochester Hills.

The specifications require the vendor to provide rock salt for ice control as ordered from August 1, 2006 through June 30, 2007. Each agency has reviewed the bid results and elected to recommend the award to their various councils or boards.

The lowest responsive responsible bidder was Detroit Salt, Detroit, Michigan, at a bid price of \$26.38 per ton. North American Salt Company, Overland Park, Kansas, was the second lowest bid at \$32.58 per ton. As in past years, the secondary vendor will receive twenty-five (25%) percent of the total orders, providing back-up in the event salt quantities become unavailable from the primary vendor.

PROCESS:

Vendor Name and Address:

Detroit Salt (Primary Vendor)
12841 Sanders St.
Detroit, Michigan 48217

North American Salt Co. (Secondary Vendor)
9900 W. 109th Street, Suite 600
Overland Park, Kansas 66210

Reason for Selection:

Lowest Responsive Responsible Bid

Method of Purchase:

Purchase Order

BUDGET:

Funds for bulk rock salt are budgeted in major and local roads. Funds will be proposed in the 2007 budget for rock salt.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Roads	202	781000	2006- \$80,000	\$84,500	(\$4,500)
Local Roads	203	781000	2006- \$55,000	\$69,115	(\$14,115)

RECOMMENDATION:

It is recommended that City Council approve a blanket purchase order to Detroit Salt, Detroit, Michigan, for the purchase of rock salt for the winter season 2006-2007 in the amount not-to-exceed \$153,615.00 through June 30, 2007, as primary vendor and North American Salt Co., Overland Park, Kansas, as secondary vendor.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

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