



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2024-0334

TO: Mayor and City Council Members
FROM: Bill Fritz, P.E., Director of Public Services
DATE: July 15, 2024
SUBJECT: Rock Salt for the 2024/2025 Winter Season

REQUEST:

City Council is requested to authorize a blanket purchase order for the purchase of rock salt to The Detroit Salt Company, Detroit, Michigan in the amount not-to-exceed \$206,000.00 through June 30, 2025.

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 Cooperative (MITN) for the 2023/2024 season with renewal options for future years. Bids were opened on Tuesday, March 28, 2023 with three (3) responses received. As a cooperative, 60,150 tons of salt for 31 governmental entities, including the City of Rochester Hills, was bid. The lowest, responsive, responsible bidder was Detroit Salt at a bid price of \$59.62 per ton for the 2023/2024 season. Detroit Salt has agreed to extend the Rock Salt contract with an increase of 3% per the available contract extension.

Rock Salt continues to be a challenging commodity to procure. Pricing is dictated by fuel prices, weather conditions, weather predications, supply and demand. Specifications for this bid allows the agencies to exercise some flexibility with their usage. Unlike other cooperative contracting efforts, agencies can increase or decrease their quantity commitment by 30% during the season and still maintain the contracted price per ton. This successful model helps agencies deal with the fluctuating demand.

Quantities were estimated at 2,500 tons and will be managed by the Department of Public Services to insure an adequate supply. The City has worked with Detroit Salt Company in the past and they have provided excellent service.

PROCESS:

Vendor Name and Address:

The Detroit Salt Company
12841 Sanders Street
Detroit, MI 48217

Reason for Selection:

Lowest, responsive, responsible bidder

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funding is included in the FY 2024 Adopted Budget and the FY 2025 Projected Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Road	482.781000	Material	\$106,000	\$106,000	\$0
Local Street	484.781000	Material	\$100,000	\$100,000	\$0
		TOTAL	\$206,000	\$206,000	\$0

RECOMMENDATION:

It is recommended that City Council authorize a blanket purchase order for the purchase of rock salt to The Detroit Salt Company, Detroit, Michigan in the amount not-to-exceed **\$206,000.00** through June 30, 2025.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney Yes N/A