



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: 2023-0186

**TO:** Mayor and City Council Members  
**FROM:** Bill Fritz, P.E., Director of Public Services  
**DATE:** May 8, 2023  
**SUBJECT:** Rock Salt for the 2023/2024 Winter Season

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**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, 2024.

**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.

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 3,000 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 2023 Adopted Budget and FY 2024 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 Fund	482.781000	MR – Winter Maintenance / Materials	\$106,000	\$106,000	\$0
Local Street Fund	484.781000	MR – Winter Maintenance / Materials	\$100,000	\$100,000	\$0
		<b>TOTAL</b>			<b>\$0</b>

**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, 2024.

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

Contract Reviewed by City Attorney       Yes       N/A