



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

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2005-0407

TO: Mayor and City Council Members
FROM: Roger Rouse, Director of Public Service
DATE: June 6, 2005
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 2005-2006 in the amount not-to-exceed \$140,703.75 through June 30, 2006, as primary vendor and Morton Salt, Inc., Chicago, Illinois, 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 146,700 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, 2005 through June 30, 2006. 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 at a bid price of \$23.91. Morton Salt, Inc., Chicago, Illinois, was the second lowest bid, at \$30.60 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.

Company Name	City/State	Price Per ton	Co-op Total
Morton Salt, Inc.	Chicago, IL	\$30.60	\$4,718,520.00
North American Salt Co.	Overland Park, KS	\$33.81	\$5,213,502.00
Detroit Salt	Detroit, MI	\$23.91	\$3,686,922.00

PROCESS:

Vendor Name and Address:

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

Morton Salt, Inc (Secondary Vendor)
 123 N. Wacker Drive
 Chicago, Illinois 60606-1743

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 2006 budget for rock salt.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Roads	202	781000	\$75,000		
Local Roads	203	781000	\$65,000		

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 2005-2006 in the amount not-to-exceed \$140,703.75 through June 30, 2006, as primary vendor and Morton Salt, Inc., Chicago, Illinois, 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		