



**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: 2008-0346

TO: Mayor and City Council Members
FROM: Roger Rousse, Director of Department of Public Service
DATE: July 10, 2008
SUBJECT: Rock Salt

REQUEST:

City Council is requested to authorize a blanket purchase order to Detroit Salt Company LLC, Detroit, Michigan for the purchase of rock salt for the winter season 2008-2009 in the amount not-to-exceed \$182,545.00 through June 30, 2009.

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) in May, 2008. As a cooperative bid 241,250 tons of salt for 24 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 \$33.19 per ton. Pricing is extended to all 24 participating communities. This year the cooperative communities' accounts are assigned to a primary contact for delivery and ordering issues.

It is recommended that the City award the rock salt contract to Detroit Salt Company LLC for 5500 tons at \$182,545 per ton. Quantities will be managed by the department 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
MITN Cooperative Purchase

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funds for bulk rock salt are budgeted in major and local roads. Funds will be proposed in the 2008 budget for rock salt.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Roads	482.781000	Winter Maintenance Materials	2008 Remaining Budget - \$37,120.30*	\$37,120.30	0
Local Roads	484.781000	Winter Maintenance Materials	2008 Remaining Budget - \$30,825.70**	\$30,825.70	0
Major Roads	482.781000	Winter Maintenance Materials	Proposed 2009 - \$85,000	\$63,279.45	\$21,720.55
Local Roads	484.781000	Winter Maintenance Materials	Proposed 2009 - \$70,000	\$51,319.55	\$18,680.45

* \$47,879.70 spent off previous season's blanket purchase order

** \$39,174.30 spent off previous season's blanket purchase order

RECOMMENDATION:

It is recommended that City Council authorize a blanket purchase order to Detroit Salt Company LLC, Detroit, Michigan for the purchase of rock salt for the winter season 2008-2009 in the amount not-to-exceed \$182,545,00 through June 30, 2009.

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