



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

**1000 Rochester Hills Dr.
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Legislative File No: 2007-0381 Version 2

TO: Mayor and City Council Members
FROM: Roger Rousse, Director of Department of Public Service
DATE: January 14, 2008
SUBJECT: Rock Salt

REQUEST:

City Council is requested to increase the blanket purchase order to Detroit Salt Company LLC, Detroit, Michigan for the purchase of rock salt for the winter season 2007-2008 in the amount of \$87,054 for a new not-to-exceed total of \$145,090 through June 30, 2008.

REASON FOR PURCHASE:

The recommendation for the award in June, 2007 was for 2200 tons. The recommendation should have been for 5500 tons, which is historically the City's salt usage during a typical winter season. To insure adequate supply for the 2007-2008 winter season, the blanket purchase order requires an increase of 3300 tons. Quantities will be managed by the department to insure an adequate supply.

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 2006. As a cooperative bid 153,700 tons of salt for 17 governmental entities was bid.

The lowest responsive responsible bidder was Detroit Salt Company LLC at a bid price of \$26.38 per ton. The option to extend pricing for an additional year per the terms of the bid has been exercised and award by the Road Commission for Oakland County. Pricing is extended to the original 17 participating communities. Pricing is also extended to the Road Commission for Macomb County, as well as the cities of Romulus and Roseville, not included in the original bid.

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.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Roads	482	781000 Winter Maint Materials	2007- \$85,000	\$31,919.80	\$53,080.20*
Local Roads	484	781000 Winter Maint Materials	2007- \$70,000	\$26,116.20	\$43,883.80**
Major Roads	482	781000 Winter Main Materials	2008 - \$85,000	\$47,879.70	\$37,120.30
Local Road	484	781000 Winter Maint Materials	2008 - \$70,000	\$39,174.30	\$30,825.70

* \$49,764.95 spent off previous season's blanket in 2007

** \$26,993.96 spent off previous season's blanket in 2007

RECOMMENDATION:

It is recommended that City Council increase the blanket purchase order to Detroit Salt Company LLC, Detroit, Michigan for the purchase of rock salt for the winter season 2007-2008 in the amount of \$87,054 for a new not-to-exceed total of \$145,090 through June 30, 2008.

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		