



**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: 2009-0201**

**TO:** Mayor and City Council Members  
**FROM:** Roger Rousse, Director of Department of Public Service  
**DATE:** May 8, 2009  
**SUBJECT:** Rock Salt

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**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 2009-2010 in the amount not-to-exceed \$236,390 through June 30, 2010.

**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 246,299 tons of salt for 26 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 \$42.98 per ton. Pricing is extended to all 26 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 \$42.98 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 2010 budget for rock salt.

<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 Roads	482.781000	Winter Maintenance Materials	\$43,450 (1)	\$43,340	\$ 110
Local Roads	484.781000	Winter Maintenance Materials	\$39,370 (1)	\$35,460	\$ 3,910
Major Roads	482.781000	Winter Maintenance Materials	\$130,000 (2)	\$86,680	\$43,320 (3)
Local Roads	484.781000	Winter Maintenance Materials	\$106,500 (2)	\$70,910	\$35,590 (3)
		<b>TOTAL:</b>	<b>\$236,390</b>		

(1) Remaining Budget (2009)

(2) Potential Budget (2010)

(3) Remaining for FY 2010-2011 Blanket

Assumptions:

Salt usage = 2/3 (Jan-April)/1/3 (Oct-Dec)

Major Roads = 55% Local Roads = 45%

**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 2009-2010 in the amount not-to-exceed \$236,390.00 through June 30, 2010.

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