



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: 2015-0195

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: May 18, 2015
SUBJECT: Purchase Authorization for Rock Salt for the 2015/2016 Winter Season

REQUEST:

City Council is requested to authorize a blanket purchase order to Detroit Salt Company LLC, Detroit, Michigan for the purchase of rock salt in the amount not-to-exceed \$ 200,000.00 through June 30, 2016.

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 (MITN) in April, 2015. As a cooperative bid 85,650 tons of salt for 35 governmental entities, include the City of Rochester Hills, was bid. The lowest, responsive, responsible bidder was Detroit Salt Company LLC at a bid price of \$56.61 per ton, if delivered before 10/1/2015 and \$57.11 per ton, if delivered on/after 10/1/2015.

Under the terms of the contract each agency guarantees ordering a minimum of 70% of the award total, but is also allowed to order up to 130% of their estimated usage each year at the price bid. Quantities were estimated at 3,000 tons and will be managed by the Department of Public Services 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

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funding is included in the 2015 Adopted and 2016 Projected Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Road	482.781000	Material	\$100,000	\$100,000	-0-
Local Street	484.781000	Material	\$100,000	\$100,000	-0-
		TOTAL	\$200,000	\$200,000	-0-

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize a blanket purchase order to Detroit Salt Company LLC, Detroit, Michigan for the purchase of rock salt in the amount not-to-exceed \$200,000 through June 30, 2016

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		