

**MEMORANDUM**  
**Purchasing Division**  
**Public Works Department**

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**TO:** John T. Lockerby, Village Manager

**FROM:** *Michael Aleksic*  
Michael Aleksic, Purchasing Agent

*Max Slankard*  
Max Slankard, Public Works Director

**DATE:** September 9, 2014

**SUBJECT: BULK ROCK SALT PURCHASE (Agenda Item)**

Pricing for Bulk Rock Salt was obtained through the State of Illinois Joint Purchasing Program. Central Management Services (CMS), the state's purchasing authority, competitively bids for goods and services on behalf of government entities in the State of Illinois and allows such governments to benefit from the economies of scale in purchases while satisfying formal bidding requirements.

Account and Budget Amount: 003-3303-431.03-30 \$390,000

**TABULATION**

Morton Salt, Chicago, IL \$74.94/ton X 5,000 tons Total = \$374,700

**RECOMMENDATION**

It is recommended that a contract for the purchase of five thousand (5,000) tons of bulk rock salt be awarded to the State of Illinois' low responsive and responsible bidder, Morton Salt, Chicago, IL, in the amount of \$374,700.

**COMMENTS**

Funding for this expenditure is budgeted from the Motor Fuel Tax account which is reimbursed by the State of Illinois Motor Fuel Tax for general roadway maintenance. The baseline quantity specified of 5,000 tons is based on historical usage, as well as on the amount of salt on hand. Last year's winter was severe compared past years generally, and the past two winters specifically. Skokie's price has been flat the past two winters at \$51.49 per ton, and Public Works maximized purchasing under last year's contract in anticipation of higher costs heading into the winter of 2014-2015. Because of that, we have a decent quantity of salt on hand at this time, though less than in past years. Consequently, we increased the base tonnage by 600 tons, or about 14% from last year's base of 4,400 tons. For point of comparison, our baseline tonnage in prior years has been 4,400 to 5,000 tons.

The unit cost of \$74.94 per ton is much higher than a year ago which, given the severity of last year's winter, was not unexpected. While a large increase, Skokie's rate is between \$10 and \$35 a ton cheaper than some of our closest neighbors. Additionally, a number of communities in Illinois were

unable to secure a supply, irrespective of cost, through the CMS process this year. Because of the severity of last winter, the vendor would not allow renewal of the existing contract like last year; however, Morton Salt was the low bidder for Skokie's contract. The same as last year, the Village chose the option to purchase a minimum of 80% of the baseline quantity, or 4,000 tons, and provide that the per ton pricing indicated above will be held up to a maximum of 120% of the baseline quantity specified, or 6,000 tons.

Our current vendor, Morton Salt, has provided bulk rock salt in the past and the product and delivery has always been very satisfactory to the Village of Skokie.

Cc: Jason Wicha, Assistant Village Manager  
Frederick G. Schattner, Engineering Director