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MEMORANDUM
Purchasing Division
Public Works Department

TO: John T. Lockerby, Village Manager

FROM: 
Michael Aleksic, Purchasing Agent


Max Slankard, Public Works Director

DATE: September 15, 2016

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 \$300,000

TABULATION

Compass Minerals America, Overland Park, KS \$43.46/ton X 3,600 tons Total = \$156,456

RECOMMENDATION

It is recommended that a contract for the purchase of three thousand, six hundred (3,600) tons of bulk rock salt be awarded to the State of Illinois' low responsive and responsible bidder, Compass Minerals America, Overland Park, KS, in the amount of \$156,456.

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 3,600 tons is based on historical usage, as well as on the amount of salt on hand. Last year's winter was very mild, and therefore, there is a good supply level on hand to begin the winter maintenance operations this year. Because of that, we decreased the base tonnage for this year's contract to 3,600 tons, versus the 4,000 ton base utilized in last year's contract. For point of comparison, our baseline tonnage in prior years has been variable between 4,000 and 5,000 tons. The Village's contract is structured such that we must purchase 80% of our base tonnage (80% of 3,600 tons, or 2,880 tons), and we are able to purchase up to 120% of our base tonnage (120% of 3,600 tons, or 4,320 tons). This quantity, plus our supply on hand, should be sufficient for our operations this winter.

The price per ton is the lowest price since the winter of 2007-08, and is \$31.68 per ton less than last year's price of \$74.94 per ton. This is reflective of last year's mild winter and an abundance of supply available.

Cc: Jason Wicha, Assistant Village Manager
Erik Cook, Engineering Director