



Request for Council Action

Originator Purchasing	Item Regular and Treated Road Salt - Approve Purchase
Agenda Section Consent Business	Date 6/22/2015

Description

Council is requested to approve the purchase of regular and treated road salt for de-icing roads during the 2015/2016 winter season. Regular road salt is available under State of Minnesota Contract #77774 from Cargill, Inc. at a contract price of \$68.55 per ton, a 3% increase. The 2014/2015 contract price was \$66.55 per ton.

Treated road salt is available under State of Minnesota Contract #77778 from Cargill, Inc. at a contract price of \$82.47 per ton, a 3% increase. The 2014/2015 contract price was \$80.07 per ton.

Prior to bidding these contracts, the State of Minnesota requested participating cooperative purchasing (CPV) members to submit their quantity requirements for the upcoming contract season. Bloomington's requirements for 2015/2016 are 2,000 tons of regular and 4,000 tons of treated salt. The provisions of these contracts require the CPV members to purchase a minimum percentage of their submitted quantities. Contract Vendors in turn must guarantee to supply a maximum additional percentage of the submitted quantities at the awarded contract price. Based on these contract provisions and the unit prices, the maximum expenditure for both regular and treated salt under this contract would be approximately \$560,376.00.

Note: Actual quantities for 2014/2015 were 2,400 tons of regular salt and 4,800 tons of treated salt for a total expenditure of \$544,056.00.

Funding for this expenditure is budgeted in the 2015 Street Maintenance Budget, Activity 165405-51990.

Requested Action

Approve the purchase of up to 2400 tons of regular road salt at cost of \$68.55 per ton under State of Minnesota Contract #77774 and up to 4,800 tons of treated road salt at a cost of \$82.47 per ton under State of Minnesota Contract #77778 from Cargill, Inc.

Attachments: