



Agenda Item Summary

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Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution Authorizing the Purchase of 3,500 Tons of Rock Salt from Compass Minerals America Inc. of Overland Park, Kansas at \$78.86 Per Ton For the 2019/2020 Snow Season in an Amount Not To Exceed \$276,010.00, and Waiving the Village's Bidding Process

Overview

Rock salt is used as the principal deicer for snow and ice control in an effort to mitigate hazardous road conditions. The Village participates in the State of Illinois Joint Purchasing Program for materials and equipment commonly used by municipalities such as rock salt. This program provides the assurance that orders placed by the Village will be given priority over ad hoc orders. Participation in the Joint Purchasing Program results in volume discounts which the Village could not achieve on its own as a single purchaser.

Recommendation

Approve the Resolution.

Fiscal Impact

The FY2019 budget provides funds for the purchase of roadway salt materials in the Public Works, Street Services Budget, Account #1001-43740-765-560633, Roadway Maintenance. To date \$32,019.20 remains in that account for salt should any salt need to be purchase in FY2019.

Salt needed for the portion of winter season after January 1, 2020 will be funded from the same account in the FY2020 budget. The FY2020 budget for salt is proposed to be \$276,000.00. This amount will allow the Village to purchase 100% of the request. The contract allows the Village to purchase 120% of the order at the same price. Should the additional 20% of salt be needed for the winter, staff will need to bring forward a request for a budget amendment to cover the additional cost.

Background

Rock salt is the most readily available and cost effective de-icing material. Salt is used to keep snow and ice from bonding to the pavement thereby allowing snow plows to remove accumulated snow and ice quickly and efficiently and to keep the roads open and safe.

The Village has previously participated in the State of Illinois Joint Purchasing Program for materials and equipment commonly used by municipalities.

The State notified the Village that the contract for salt would be awarded to Compass Minerals America Inc., of Overland Park, Kansas at the price of \$78.86 per ton for the 2019/2020 winter season. This price is approximately a 78% increase over the 2018/2019 price of \$44.41 per ton cost. Staff is being told various reasons for the increase; the last two winters for the Midwest and Northwest have been particularly harsh, shipping along the Illinois Waterway was disrupted by shut downs for lock repairs, labor problems including a 12 week worker strike, and lastly a salt mine's production in Ohio was disrupted by a water leak. All these factors together have depleted salt stockpiles. All of the communities in the Chicagoland area have seen significant increase in the cost for salt. Prices have varied from the mid \$70's to nearly \$100 per ton.

The salt purchase contract allows the Village to order a minimum of 80% and up to 120% of the requested amount of salt. The requested amount of salt was 3,500 tons. Therefore, the minimum required purchase is 2,800 tons and the maximum is 4,200 tons in case of a particularly harsh winter. The salt will be delivered by truck to the Public Works Center at 201 South Boulevard.

In an average winter, the Village uses approximately 3,000 - 4,000 tons of rock salt for snow and ice control. The Village has approximately 1,000 tons of salt in storage at the Public Works Center and another 600 tons in reserve in our salt dome at our storage area at the Cook County Forest Preserve maintenance yard.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

The Village Board has approved this Resolution in prior years.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

It is anticipated that the Public Works Department will be bringing this contract to the Village Board annually.

Intergovernmental Cooperation Opportunities

Salt is one of the many items that the Village has purchased through the State's Joint Purchasing Program. This program provides the assurance that orders placed by the Village will be given priority over ad hoc orders. Participation in the Joint Purchasing Program results in volume discounts which the Village could not achieve on its own as a single purchaser.

The Village also provides rock salt to the Park District of Oak Park. The Park District reimburses the Village for the actual cost of the salt. Their use is between 50-100 tons.