



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Approval of the 2011/12 Rock Salt Purchase—Illinois State Contract Bid

Presenter: Ross Wiegert

Please check appropriate box:

| | | | |
|---|--------------------------------|--|---------------------|
| X | Government Operations (9/6/11) | | Government Services |
| | Planning & Development | | City Council |

| | | | | | |
|-----------------|-----------|-----------|-----|---|----|
| Estimated Cost: | \$300,000 | Budgeted: | YES | X | NO |
|-----------------|-----------|-----------|-----|---|----|

If NO, please explain how item will be funded:

Executive Summary:

We received the following results for the State of Illinois Rock Salt Bid of which we are a part via the Joint Purchasing Agreement:

Low bidder is Cargill Salt, 24950 Country Club Boulevard, #450, North Olmsted, OH 44070, at a cost of \$59.87/ton (\$.75/ton higher than last year's price).

The criteria is similar to last year. We order 5,000 tons but are obligated to receive only 80% of that total or 4,000 tons. However, in the event of a severe winter, the supplier is obligated to supply us with 120% of our order or 6,000 tons. The State of Illinois has required the supplier to stockpile 100% of all salt required in northern Illinois by December 1. Also, we are entitled to retain \$.20/ton for any salt ordered but not delivered within seven (7) calendar days from the date of order, for all orders placed between December 1, 2011, and April 1, 2012.

Just for the record, here are per ton costs of rock salt over the past several years:

| | |
|---------------|---------------|
| 2010: \$59.12 | 2009: \$59.12 |
| 2008: 54.47 | 2007: 41.97 |
| 2006: 38.46 | 2005: 36.64 |
| 2004: 32.93 | 2003: 31.48. |

Attachments: *(please list)*

Recommendation/Suggested Action *(briefly explain):*

Recommend approval of the low Illinois State Contract bid for rock salt at \$59.87/ton from Cargill Salt (North Olmsted, Ohio).

For office use only:

Agenda Item Number: 4a