

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL WORKSHOP**  
**OCTOBER 14, 2008 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Bid: Purchase of Road Salt from State Contract	Resolution Ordinance ✓ Motion Discussion Only	Robin A. Weaver Interim Director of Public Works

**SYNOPSIS**

A motion is requested to approve the purchase of bulk road salt during the 2008-09 winter season from Cargill, Inc. for snow & ice control via the State Contract at a cost of \$59.25/ton at a not to exceed cost of \$462,150.

**STRATEGIC PLAN ALIGNMENT**

The Village's Strategic Plan identified the *Provision of Emergency Response* as one of the primary businesses of the Village of Downers Grove. Snow and ice control is an emergency response that has a direct impact on all of the *Primary Customers* and *Secondary Customers* identified in the Village's Strategic Plan.

**FISCAL IMPACT**

The purchase of bulk road salt spans two fiscal years. The adopted FY08 General Fund budget provides \$170,000 for the purchase of road salt, while the recommended FY09 General Fund Budget provides \$285,000. This year \$135,373 has been expended to date for the purchase of road salt in FY08, leaving a balance of \$34,627. Between the FY08 and FY09 budgets, a total of \$319,627 is available for the salt purchase. Staff estimates that the Village will purchase 4800 tons of salt to be used in the 08-09 winter season. This would be a cost of \$284,400. The balance of the budget would be used for the purchase of salt for the initial portion of the 09-10 winter season. The FY09 budget figure would cover road salt purchases in the early part of 2009 as well as the initial purchases for the winter of 2010.

**RECOMMENDATION**

Approval on the October 21, 2008 consent agenda.

**BACKGROUND**

In April 2008, the Village Council authorized the Village Manager to indicate to the State of Illinois the Village's desire to purchase 6,000 tons of road salt for the 2008-09 winter season for snow and ice removal via the State Contract. The amount of road salt required each year is weather dependent, and the annual budget for the upcoming season has been based on historical salt usage. The average amount purchased for the past 21 winters is 4,840 tons (chart attached). The unit price for salt this season is \$59.25 per ton, which represents an increase of 53% over last year, and more than 103% higher than the prices for the winter of 2003-04.

Since the terms of the contract allow the Village to purchase as little as 70% of this amount (4,800 tons) or as much as 130% (7,800 tons), the maximum quantity allowable under the contract will result in a cost not to exceed \$462,150. Council will be kept informed of salt usage. A budget amendment will be required if the purchase amount exceeds budget authority. The attached summary shows purchases for road salt for the past 21 years. The Village has purchased as little as 2,777 tons and as much as 7,150 tons.

The extraordinary winter weather and the salt shortages last year illustrate the importance of providing the most flexibility possible under the State contract. Once communities began exceeding 130 percent of their allocations under the State contract last year and salt became scarce, unit prices for salt quickly escalated to \$95 - \$160 per ton. Fortunately, the Village has sufficient storage capacity to effectively protect and store any leftover salt for use during the following winter.

**ATTACHMENTS**

Historical Road Salt Use Chart

