

**ITEM MOT 2015-6154**

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**  
**3/17/2015**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
Authorization to Request Rock Salt Allocation From Lake County and DuPage County Contracts	Nan Newlon Director of Public Works

**SYNOPSIS**

A motion is requested to authorize a rock salt allocation of 2,000 tons each with Lake County and DuPage County in the joint purchase of bulk rock salt for the 2015/2016 season. The Council will be obligated to authorize execution of purchase contracts with these allocations at a future date.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2011-2018 identified *Exceptional Municipal Services*.

**FISCAL IMPACT**

The Village's winter snow and ice control operations span two fiscal years. The budget for the 2015/2016 season includes approximately \$310,000, \$85,176 which is available in the 2015 budget and \$225,000 which is anticipated to be included in the 2016 fiscal year budget. Staff estimates that the total cost of the salt purchase will range from \$232,000 to \$363,000 (using the estimated per ton costs of \$70/ton for Lake County and \$75/ton for DuPage County).

**RECOMMENDATION**

Approval on the March 17, 2015 consent agenda.

**BACKGROUND**

The availability and use of bulk rock salt is necessary to meet the snow removal program goal of maintaining safe travel routes during and following snowstorms, as well as restoring mobility for the traveling public within a reasonable time frame following cessation of storm conditions. There are four objectives to achieve when purchasing road salt:

- 1) Maintain the salt supply to respond to all winter weather events per the Village Snow Removal and Ice Control Plan
- 2) Diversify salt supply to ensure on-time delivery
- 3) Minimize cost
- 4) Comply with budget

To best meet these objectives for the 2015/2016 season staff recommends purchasing rock salt through two cooperative purchasing contracts, one with Lake County and the other with DuPage County, as shown in the table below.

<b>Requested Allocation (tons)</b>	<b>Minimum</b>	<b>Allocation</b>	<b>Maximum</b>
Lake County Contract	1,600	2,000	2,400
DuPage County Contract	1,600	2,000	2,600
<b>Total Amount</b>	<b>3,200</b>	<b>4,000</b>	<b>5,000</b>

The amount of salt required to be purchased (3,200 to 5,000 tons), along with the 3,000 tons of salt on hand, would provide the village with 6,200 to 8,000 tons of salt and should allow the Village to continue to meet the service objectives described in the Village Snow Removal and Ice Control Policy in a cost effective manner. The average annual salt usage is about 4,800 tons with a minimum usage of about 2,800 tons and a maximum usage about 7,200 tons. The Village can store 6,700 tons.

The Village has historically purchased rock salt through a State-aggregated bidding process. The State bid process requires the Village to commit to purchasing salt at an unknown bid price. The State begins their bid process late by industry standards which tends to result in higher prices. In 2014 the Village was able to extend their 2013 salt prices through the State process and paid \$58.12 per ton. This contract extension is not available for 2015. The State bid prices for agencies who were not able to extend contracts varied from \$75 to \$130 per ton. Because of issues with the reliability of service deliveries from the State bid in the 2013/14 winter season the Village elected to purchase a portion of its rock salt supply through a DuPage County contract because of issues receiving the full Village allocation through the State bid.

The option to purchase rock salt through a Lake County bid is a new option this year and is part of the Municipal Partnering Initiative (MPI). Last year, Lake County and 26 other units of government participated in a joint salt bid and purchased 43,400 tons of salt. Due to the success of this effort, a number of communities approached Lake County about participating in the future. As contract terms were discussed for the second year, the vendor agreed to allow communities who did not originally participate to do so for next year. Pricing will range from \$67.14 to \$71.42 per ton. The actual price per unit of government will be determined by the vendor based on the freight, volume and delivery location once an allocation is provided. There is a \$2 per ton discount for any orders that are placed prior to November 1, 2015.

DuPage County is in the process of preparing bid documents and is requesting allocation amounts from interested communities. Because of the Counties proximities to salt depots, and based on the timing of bidding they anticipate receiving bid prices as favorable or more favorable than those received by Lake County. The DuPage County contract also allows for deliveries as much as 130% of the allocation.

Based upon the bid pricing available from the Lake County bid and the pricing projections and the more favorable contract terms with DuPage County over the State of Illinois staff recommends dividing the total allocation for 2015/2016 between the Lake County and DuPage County contracts.

## **ATTACHMENTS**

Lake County Contract