

MEMORANDUM

TO: ROBERT A. KUNTZ, CITY ADMINISTRATOR

FROM: GARY R. KRAMER, P.E., CITY ENGINEER/DIRECTOR OF PUBLIC WORKS *GJK*

DATE: JULY 8, 2014

SUBJECT: COOP SALT PURCHASE

The City of Chesterfield coordinates the purchase and delivery of deicing salt for the 46 cities and two school districts that are members of the St. Louis APWA Salt Cooperative (Coop). Table 1 summarizes the four bids that were received and opened for salt only on June 24, 2014. Hauling was bid separately.

TABLE 1 - Salt only	FALL 2014 UNIT PRICE/TON	JANUARY 2015 UNIT PRICE/TON
North American Salt Co.	\$62.63	\$62.63
Morton Salt Co.	No Bid	\$80.39
Cargill, Inc.	No Bid	\$68.33
Central Salt, LLC	No Bid	No Bid

Table 2 summarizes the bids also received on June 24, 2014 for hauling.

TABLE 2 - Hauling only	FALL 2014 UNIT PRICE/TON	JANUARY 2015 UNIT PRICE/TON
Beelman Logistics, LLC	\$6.03	\$6.03
Lange-Stegmann Co.	\$6.39	\$6.39

Table 3 below compares the coop and secondary supplier (also North American Salt Co.) unit prices.

TABLE 3 2014-2015 UNIT PRICES	Secondary Supplier (bid opening May 9)	Coop (bid opening June 24)
Salt & hauling per ton	\$64.87	\$68.66

Table 4 below includes the purchases authorized by the Board of Aldermen at their April 14, 2014 meeting. The tonnage noted from the secondary supplier was approved by the Board of Aldermen at their June 16, 2014 meeting. There are 570 tons remaining in the dome from this past winter.

TABLE 4	2014 Delivery (tons)	2014 Cost	Early 2015 Delivery (tons)	Early 2015 Cost	Total Cost for 2014/2015
APWA Coop	1430	\$98,183.80	300	\$20,598.00	\$118,781.80
Secondary Supplier	3000	\$194,610.00	700	\$45,409.00	\$240,019.00
Total	4430	\$292,793.80	1000	\$66,007.00	\$358,800.80

The available 2014 salt budget for the secondary source and the coop is \$109,556 which includes the program contingency of \$10,000. A budget reappropriation will be necessary for the 2014 budget overage.

RECOMMEDATION: We recommend awarding the contract for furnishing salt to North American Salt Co. for a unit price of \$62.63 per ton and for hauling to Beelman Logistics for a unit price of \$6.03.