

## MEMORANDUM

TO: ROBERT A. KUNTZ, CITY ADMINISTRATOR

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

DATE: MAY 9, 2014

SUBJECT: SECONDARY SALT PURCHASE

Since 2003, we have supplemented the St. Louis APWA Salt Coop with our own secondary supplier. Table 1 below includes the purchases authorized by the Board of Aldermen at their April 14, 2014 meeting. There are 570 tons remaining in the dome from this past winter.

TABLE 1 (AUTH. QUANTITIES)	2014 Delivery (tons)	2014 Delivery Schedule	Early 2015 Delivery (tons)	2015 Delivery Schedule
APWA Coop	1430	Nov/Dec 2014	300	Jan-Mar 2015
Secondary Supplier	3000	August 31, 2014	700	February 1, 2015
<b>Total</b>	<b>4430</b>		<b>1000</b>	

Bidding for the 40-city coop purchase is handled by the City of Chesterfield. As of May 6, 2014 the bid process has not been scheduled.

We solicited bids for our secondary sources from 7 suppliers and advertised in the St. Louis Business Journal and on the city's website. On May 9, 2014, four bids were received and opened. The bid specifications include delivery. The results are as follows:

TABLE 2 2014/2015 BIDS	UNIT PRICE/TON	2014 Delivery (tons)	2015 Delivery (tons)	BID AMOUNT
North American Salt Co.	\$64.87	3000	700	\$240,019.00
Morton Salt, Inc.	\$80.82	3000	700	\$299,034.00
Cargill, Inc.	\$89.23	3000	700	\$330,151.00
Central Salt, LLC	No Bid			No Bid

As shown in Table 3 below, last year North American Salt Co. was the low bidder with a unit price of \$48.32 per ton. Their price this year is 34.25% higher. This is likely due to the severity of the 2013/2014 experienced in midwest and eastern states.

TABLE 3 PRICE COMPARISON	2013/2014 UNIT PRICE/TON	2014/2015 UNIT PRICE/TON
North American Salt Co.	\$48.32	\$64.87
Cargill, Inc.	\$50.33	\$89.23
Morton Salt, Inc.	\$52.58	\$80.82
Central Salt, LLC	No Bid	No Bid

The available 2014 salt budget for this secondary source and the St. Louis APWA salt cooperative purchase program is \$109,556 which includes the program contingency of \$10,000.

**RECOMMEDATION:** We recommend awarding the contract to North American Salt Co. for a unit price of \$64.87 per ton. The 2014 cost is \$194,610 and for early 2015 delivery is \$45,409 for a total cost of \$240,019.