



Detroit Water and Sewerage Department

735 Randolph Street
Detroit, Michigan 48226
(313) 224-4704 Office
dwsd.legistar.com

Legislation Text

File #: 19-00261, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **purchase rock salt for the upcoming snow and ice season in the amount of \$200,871 under a State of Michigan MiDeal cooperative agreement**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of October 16, 2019

Item No. 19-00261

Contract No. 6002374

Contractor: Detroit Salt Company, L.L.C., 12841 Sanders Street, Detroit, MI 48217

Contract Amount: \$200,871

Contract Term: 10/17/19 - 8/31/20 (10 months)

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Gary Brown, Director
Water and Sewerage Department

**RE: Purchase of Rock Salt for DWSD Central Warehouse (WCW) and West Yard Warehouse (WWS)
from Detroit Salt Company, LLC per the MiDeal Cooperative Contract**

MOTION

Upon recommendation of Mamata Burgi, Purchasing Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **purchase rock salt for the upcoming snow and ice season in the amount of \$200,871 under a State of Michigan MiDeal cooperative agreement**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Bulk rock salt is used by DWSD on parking lots, roadways, worksites and sidewalks during the winter months to accelerate the melting of snow and ice, thereby minimizing injuries to the public and employees. The DWSD Central Warehouse (WCW) and West Yard Warehouse (WWS) store and provide road salt to most DWSD locations. DWSD is requesting to utilize the State of Michigan MiDeal for the purchase of bulk rock salt. The pricing for the 2019/2020 season is \$60.87 per ton for the purchase of 3,300 tons. Approximately 200 agencies in the State of Michigan utilize the MiDeal cooperative for the purchase of salt.

JUSTIFICATION

This contract will utilize the State of Michigan MiDeal cooperative pricing for bulk rock salt in order to replenish and maintain DWSD's inventory of salt to melt snow and ice in the winter months. The State of Michigan obtains annual pricing on salt from its pre-qualified vendors, providing the lowest possible price to participating public agencies. It is efficient and cost effective to procure bulk road salt using this cooperative purchase arrangement. Use of cooperative purchase arrangements enable DWSD to obtain the benefits of competitive solicitation and discount pricing through economies of scale, while using minimal DWSD resources. There are approximately 200 agencies in the State of Michigan that utilize this cooperative contract.

PROCUREMENT METHOD

The price of salt has a high volatility rate and can fluctuate greatly in price from year to year, so the State of Michigan MiDeal requires its pre-qualified suppliers to submit pricing annually to ensure participating agencies receive the benefit of price decreases, should they occur. The initial MiDeal contract established four pre-qualified road salt suppliers and only these four suppliers are allowed to submit pricing over the next eight years. DWSD will continue to seek annual approval for salt based on the awarded vendor for that season as indicated in the MiDeal cooperative contract.

DETAILS

Contractor:	Detroit Salt Company, L.L.C.
Contract Term:	10/17/19 - 8/31/20 (10 months)
Contract Amount:	\$200,871
Unit Price:	\$60.87 per ton
Quantity:	3,300 tons
Funding Source:	O&M - 100% City Funded
GL String:	5720-20276-487611-624115-001688-10732-0000-000000 - 100%
Anticipated Fiscal Year Breakdown:	
	FY 19-20: \$200,871

This proposed contract was presented to the BWOC Finance Committee on October 2, 2019. Per the DWSD Procurement Policy, no additional approvals are required.