



**NOTICE OF THE CITY OF O'FALLON
City Council
COMMITTEE OF THE WHOLE
Special Meeting
100 North Main Street
O'Fallon, Missouri 63366
October 15, 2008, 5:30 p.m.**

PUBLIC NOTICE IS HEREBY GIVEN a Special Meeting will be held at the O'Fallon Municipal Centre, 100 North Main Street, O'Fallon, Missouri on Wednesday, October 15, 2008, 5:30 p.m. in the Council Chambers.

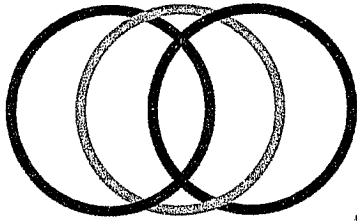
Agenda

- A. Call to Order**
- B. Roll Call**
- C. Pledge of Allegiance**
- D. Approval of the Agenda**
- E. Citizen's Comments**
- F. Resolution 10-15-08, a Resolution waiving purchasing procedures authorizing acquisition of salt needed for treating O'Fallon streets during the winter of 2008-2009**
- G. Adjourn**

Posted this 14th day of October 2008 @ 11:30 a.m.

Pamela L. Smith, City Clerk

Notice is hereby given that, subject to a motion duly made and adopted, the Board of Aldermen of the City of O'Fallon, Missouri may also hold a closed meeting for the purpose of dealing with matters relating to one or more of the following: 610.021(1) Legal Actions, Causes of Action, Litigation or Privileged Communications between the City's representatives and its attorneys; 610.021(2) Leasing, purchasing or sale of real estate; 610.021(3) Hiring, firing, disciplining or promotion of employees; 610.021(11) Specifications or competitive bidding; 610.021(12) Sealed bids or related documents.



TEAM O'FALLON
CITY OF O'FALLON · MISSOURI

TRUST - TEAMWORK RESPECT - SERVICE

Memorandum

To: Mayor Morrow and Councilmen

Thru: Robert Lowery, Jr. – City Administrator *RL*
Greg Smothers – Assistant City Administrator *JS*
Vicki Boschert – Director of Finance *VB*
Jack Strick – Managing Director of Community Development *JS*
Steve Bender PE – City Engineer *SB*
Ken Hammell EIT – Assistant Public Works Director *KH 10/14/08*

From: Susan Lane – Highway Department Office Manager *SL 10/14/08*

Cc: Jill Schmitz – Purchasing Agent

Date: 10/14/08

Re: Bulk Ice Control Salt Bids

On October 9th bids were opened for this year's supply of bulk ice control salt. Regrettably, we received a total of four (4) no bids all indicating that they were unable to offer us a price due to the unavailability of salt.

Upon receiving these bids, I made phone calls to the following vendors with the following results:

1. Buchheit Supply – The Cottleville store has 1500 tons on hand and the Troy facility has 500 tons on hand, but they will not sell more than 200 tons to any customer at this time because they also need salt for their winter operations. The 200 tons would cost \$110.00 per ton with a \$45.00 delivery fee per truck. A truck load is normally between 20 and 25 tons.
2. Hutchison Salt – No salt available.
3. Lange Stegmann – Sold out of salt. No salt available at this time, but they took my name and phone number and will call if this situation changes.
4. Central Salt – No salt available.
5. T & N Incorporated – There is a barge presently loading with 1500 tons that will be here and ready to ship by truck to our facility within two weeks. The price for this salt is \$114.00 per ton delivered. They require prepayment for this shipment at the time actual delivery to our facility begins. Another

barge with 1500 tons is scheduled to load two (2) weeks after the first barge (late October) and is scheduled to arrive within four (4) weeks. The City of O'Fallon will have the option to buy any additional amount we require from this second barge after it is loaded. Once a decision is made on the additional amount we wish to purchase, prepayment for this amount will be required when delivery to our facility begins.

6. North American – No salt available. They will call if this situation changes. There is also some imported salt available at \$154.00/ ton that would need to be transported from the dock in St. Louis. It has to be a guaranteed purchase of the entire 40,000 ton shipment and it must be removed from the dock by March 31, 2009.

7. Gunther Salt – No salt available.

8. Cargill Salt – No salt available.

I also spoke with some other cities in the area, and they are having the same delivery and price predicament for bulk ice control salt. According to the Salt Institute, this shortage and price increase is due to last year's heavy snows and high salt demands throughout the country (see attached). Some DOT's ran out of salt during last year's heavy winter and had trouble getting their stockpiles replenished. This caused an increase in bid amounts to increase stockpiles early in 2008 which depleted any salt that was available from the mines after last winter's snow and ice events. Also contributing to this trend was the interruption to production at the mines due to flooding and hurricanes during the rest of the year, competition for available barges, and lock and dam closures. All mines are currently running 24/7 to try and keep up with this heavy demand.

The Street Division is recommending and requesting to purchase 2000 tons of bulk ice control salt from T & N Incorporated for \$114.00 per ton delivered. This is the same amount that Lake St. Louis is paying for delivery of their salt (see attached). We currently have between 2,000 and 2,500 tons on hand and this purchase will bring our reserves up to approximately 4,500 tons. The City used 5,000 tons of salt during the 2007 – 2008 winter season.

The amount needed to purchase the initial 1500 tons is \$171,000. The amount that will be required for the subsequent 500 tons will be \$57,000. Currently \$80,000 is available in the Street Division's budget for purchase of bulk ice control salt.

I have attached the bid information for your convenience. If you have any questions, please feel free to contact me at extension 607.

Newspaper Advertisement Request Form

Today's Date: September 22, 2008

Newspaper Requested: O'Fallon, Wentzville, St. Peters, St. Charles Journal

Type of Ad Requested: Classified

Item/Service being Advertised: Bulk Ice Control Salt

Estimated Annual Amount Budgeted: Budgeted Through Chemical Line Item.
Amount Budgeted for 2008 is \$211,000.00

Length of Contract: 2008 - 2009 Winter Season
If this is a one time purchase - write One Time Purchase

Requested Run Date: 10/01/08

Approved by City Attorney: N/A

Department Requested by: Streets

Individual Contact: Susan D. Lane

Account Coding: 210-340.5545

Authorized signature _____

The accuracy of the specifications is the responsibility of the department requesting the advertisement. It is also the responsibility of the department to copy the Purchasing Agent on the approved recommendation for purchase.

Information to be filled out by Purchasing Agent

Bid Number 08-58

Purchase Order # 736-8-572

Ad Title: Bulk Ice Control Salt

Actual Run Date: mon 9/29/08

Cost of Ad: \$91.80

Bid Opening Date: Thurs 10/9/08

Bid Opening Time: ~~10:00~~ 9:00 AM

Bid Opening Location: CCR

Invoice #: _____

SOLICITED VENDOR LIST

Project/Service Being Solicited: **BULK ICE CONTROL SALT**
 Responsible Department: **HIGHWAY**

Bid #: 08-58

Department Contact: **SUSAN SHEETS**

DATE Bid Packet M/F/E	COMPANY NAME & ADDRESS	CONTACT	PHONE	FAX	E-MAIL	#	SENT	CONFIRMED
1 F9/29/08	T&N Inc. PO Box 240 815 Hwy T Foristell, MO 63348		636-673-2505	636-673-2750		1		
2 F9/29/08	Central Salt 6800 W. 64th Street Overland Park, KS 66202		888-499-7258	847-608-8135		1		
3 F9/29/08	Gunther Salt Company 101 Buchanan Street. St. Louis, MO 63147		314-241-7075	314-241-1725		2		
4 F9/29/08	North American Salt Company 9900 W 109th Street Suite 600 Overland Park, KS 66210		800-323-1641	913-338-7945		3		
5 E10/6/08	cargill	Donna Bidak			donna_bidak@cargill.com	1		
6						2		
7						3		
8						1		
9						2		
10						3		

ADDEMDUM



COPY

September 29, 2008

City O'Fallon
100 North Main Street
O'Fallon, MO 63366

Dear Sirs:

North American Salt Company (NASC) regrets that it is not able to submit a standard quote for your above referenced road salt bid.

NASC is currently working on securing alternative salt supplies that might be available to service your salt needs for the upcoming season. In the event that you receive no bids on your salt bid proposal, you are welcome to call me to inquire if NASC has secured any of these alternative supplies.

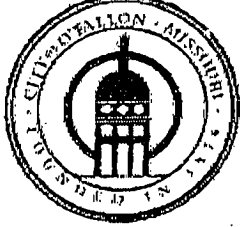
All terms and conditions, including (but not limited to) price, delivery and product specifications will be agreed to upon any subsequent quotation from NASC if product becomes available.

If you have any questions, you are welcome to call me at (913)344-9360.

Sincerely,

A handwritten signature in cursive script that reads 'Linda Winter'.

Linda Winter
Sales Manager



**CITY OF O'FALLON, MISSOURI
PURCHASING DEPARTMENT**

100 North Main Street
O'Fallon, MO 63366

COPY

TX: (636) 379-5527

FX: (636) 978-4144

FURNISH AND DELIVER BID			
INVITATION TO BID:	#08-58	BID ISSUE DATE:	09/29/08
BID DESCRIPTION:	BULK ICE CONTROL SALT		
BID OPENING DATE:	10/09/08	BID OPENING TIME:	9:00 A.M. CST
COPIES REQUIRED:	1	BID BOND REQUIRED:	NO

BID RESPONSES MUST BE RECEIVED AND TIME STAMPED NO LATER THAN THE PUBLIC BID OPENING DATE AND TIME (LOCAL TIME) SPECIFIED ABOVE. BIDS WILL BE OPENED AND READ ALOUD AT THAT TIME IN THE COUNCILMEN'S CONFERENCE ROOM ON THE FIRST FLOOR OF THE MUNICIPAL CENTER. LATE BIDS WILL NOT BE OPENED OR CONSIDERED.

TO ALL PROSPECTIVE BIDDERS:

You are hereby invited to submit your bid for the item(s) to be furnished and delivered, shipped F.O.B. delivered, to the address specified herein.

The original bid and the required number of copies, along with the bid bond, must be received in a sealed envelope that has your name and address in the upper left corner and the attached label filled in and pasted on the lower left corner. Each page of the original and copies should be marked as such.

All bids are subject to staff analysis. The City of O'Fallon, Missouri reserves the right to accept or reject any and all bids received and waive any and all technicalities.

QUESTIONS SHOULD BE SUBMITTED IN WRITING VIA E-MAIL OR FAX BY THE END OF THE DAY, 10/02/08 TO THE PURCHASING AGENT. ALL QUESTIONS WILL BE ANSWERED IN THE FORM OF AN ADDENDUM, IF NEEDED ON 10/03/08.	PURCHASING AGENT: JILL SCHMITZ	
	PHONE:	636.379.5527
	E-MAIL:	jschmitz@ofallon.mo.us
	FAX:	636.978.4144

BIDS MUST BE DELIVERED AND TIME STAMPED, PRIOR TO THE PUBLIC BID OPENING DATE AND TIME, TO:	CITY OF O'FALLON ATTN: JILL SCHMITZ, PURCHASING AGENT 100 NORTH MAIN STREET O'FALLON, MO 63366
--	---

FULL NAME OF BIDDER	CENTRAL SALT LLC
BID CONTACT PERSON	SONDRA CHMIOLA
TELEPHONE NUMBER	847-608-8130

FACSIMILE AND/OR E-MAIL TRANSMITTED BIDS WILL NOT BE ACCEPTED

**BID #08-58 BULK ICE CONTROL SALT
SPECIFICATIONS AND PRICING**

COPY

This bid is to furnish, deliver, and/or install for the City Bulk Ice Control Salt FOB at various locations within the city limits of O'Fallon, Missouri; exact locations to be determined at the time of order placement.

Estimated usage for 2008-2009 season is between 2500 and 5000 tons.

1	Time between order and delivery date (indicate days or hours)	
2	Indicate the minimum quantity for delivery per ton	Per Ton
3	Indicate the maximum quantity for delivery per ton	Per Ton
4	Price per ton delivered	\$ NO BID Per Ton

Acknowledge the receipt of addenda by checking below as appropriate:

Addendum 1 Addendum 2 Addendum 3 Addendum 4

BID AWARD CRITERIA:

This bid will be awarded to the lowest responsive, responsible bidder meeting specifications based upon the total lump sum bid amount.

The Contractor agrees to provide the equipment, service and supplies described above and in the contract specifications under the conditions outlined in attached documents for the amount stated above.

X 

 (Signature and Title)

CORPORATE SEAL
(If available)

BID MUST BE SIGNED FOR CONSIDERATION

Subscribed and Sworn to before me this _____ day of _____ AD, 2008

 (Notary Public) My Commission Expires: _____



COPY

Deicing Technology
24950 Country Club Blvd., Suite 450
North Olmsted, OH 44070
Phone: 800-600-7258
Fax: 440-716-0763

10/7/2008

City of O'Fallon
100 North Main Street
O'Fallon, Mo 63366

Attn: Jill Schmitz
Purchasing Agent

RE: Bid NO. 08-58
Bulk Ice Control Salt

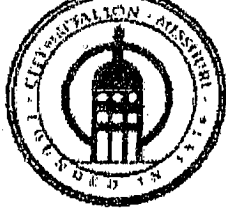
Cargill, Incorporated-Deicing Technology regrets that we will be unable to submit a bid for your deicing requirements for the winter season 2008/2009.

Please retain our name on your bidders list for possible future consideration.

Sincerely,

A handwritten signature in cursive script that reads "Donna Bidak".

Donna Bidak
Customer Solutions Specialist, Western Team
Cargill Incorporated-Deicing Technology



CITY OF O'FALLON, MISSOURI

PURCHASING DEPARTMENT

100 North Main Street
O'Fallon, MO 63366

COPY

TX: (636) 379-5527

FX: (636) 978-4144

FURNISH AND DELIVER BID

INVITATION TO BID:	#08-58	BID ISSUE DATE:	09/29/08
BID DESCRIPTION:	BULK ICE CONTROL SALT		
BID OPENING DATE:	10/09/08	BID OPENING TIME:	9:00 A.M. CST
COPIES REQUIRED:	1	BID BOND REQUIRED:	NO

BID RESPONSES MUST BE RECEIVED AND TIME STAMPED NO LATER THAN THE PUBLIC BID OPENING DATE AND TIME (LOCAL TIME) SPECIFIED ABOVE. BIDS WILL BE OPENED AND READ ALOUD AT THAT TIME IN THE COUNCILMEN'S CONFERENCE ROOM ON THE FIRST FLOOR OF THE MUNICIPAL CENTER. LATE BIDS WILL NOT BE OPENED OR CONSIDERED.

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	PHONE:	636.379.5527
	E-MAIL:	jschmitz@ofallon.mo.us
	FAX:	636.978.4144

BIDS MUST BE DELIVERED AND TIME STAMPED, PRIOR TO THE PUBLIC BID OPENING DATE AND TIME, TO:	CITY OF O'FALLON ATTN: JILL SCHMITZ, PURCHASING AGENT 100 NORTH MAIN STREET O'FALLON, MO 63366
---	---

FULL NAME OF BIDDER	John Gunther Salt Company
BID CONTACT PERSON	John Gunther
TELEPHONE NUMBER	(314) 241-7075 x109

FACSIMILE AND/OR E-MAIL TRANSMITTED BIDS WILL NOT BE ACCEPTED

**BID #08-58 BULK ICE CONTROL SALT
SPECIFICATIONS AND PRICING**

COPY

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Estimated usage for 2008-2009 season is between 2500 and 5000 tons.

1	Time between order and delivery date (indicate days or hours)		
2	Indicate the minimum quantity for delivery per ton	NO BID	Per Ton
3	Indicate the maximum quantity for delivery per ton	NO BID	Per Ton
4	Price per ton delivered	\$ NO BID	Per Ton

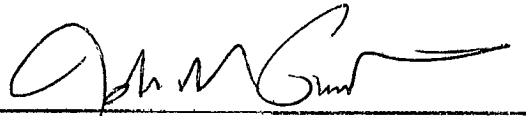
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X  VP

 (Signature and Title)

CORPORATE SEAL
 (if available)

BID MUST BE SIGNED FOR CONSIDERATION

Subscribed and Sworn to before me this _____ day of _____ AD, 2008

 (Notary Public) My Commission Expires: _____

TELEPHONE QUOTATIONS FORM

A telephone quotation is allowed for items under \$2,500.00. If the item cost is between \$2,500 to \$10,000 a written quote must be obtained.

1. Buchheit Supply Cottleville, MO
Company Name (Bidder) Address

2. Andy (636) 978-5402
Name of Company Representative Offering Bid Telephone Number

3. All information about item (s) bid:

Bulk Ice Control salt
1500 tons available at Cottleville
500 tons available at Troy facility

4. Price Quoted \$110/ton + \$45.00/truckload (@20 tons per truck)

5. Terms must be prepaid

6. Delivery Time Required _____

7. Date 10/13/08

Called back & spoke
to Manager (Carrie)
They will only sell 200 tons
per customer at this time.
They need the salt for their
winter operations. 10/13/08
d/2

[Signature]
Signature of Person Taking Quote

TELEPHONE QUOTATIONS FORM

A telephone quotation is allowed for items under \$2,500.00. If the item cost is between \$2,500 to \$10,000 a written quote must be obtained.

1. Hutchison Salt Hutchinson, KS
Company Name (Bidder) Address

2. _____ (620)662-8341
Name of Company Representative Offering Bid Telephone Number

3. All information about item (s) bid:

Bulk Ice Control Salt

4. Price Quoted No salt available

5. Terms _____

6. Delivery Time Required _____

7. Date 10/13/08

J. D. Lane
Signature of Person Taking Quote

TELEPHONE QUOTATIONS FORM

A telephone quotation is allowed for items under \$2,500.00. If the item cost is between \$2,500 to \$10,000 a written quote must be obtained.

1. Lange Hegmann St Louis, MO
Company Name (Bidder) Address
2. Bart Bicker (314) 236-4120
Name of Company Representative Offering Bid Telephone Number
FAX - (314) 241-1819
Cell - (636) 262-6560
3. All information about item (s) bid:
Bulk Ice Control Salt

Bart would like us to put Lange Hegmann
on our bidders list.
He's going to call me if salt becomes
available after the 1st of the year.
4. Price Quoted No Salt Available - Sold Out
5. Terms _____
6. Delivery Time Required _____
7. Date 10/13/08

[Signature]
Signature of Person Taking Quote

TELEPHONE QUOTATIONS FORM

A telephone quotation is allowed for items under \$2,500.00. If the item cost is between \$2,500 to \$10,000 a written quote must be obtained.

1. T & N Incorporated Foristell, MO
Company Name (Bidder) Address

2. Lenny Brown (636) 443-5230 - Cell
Name of Company Representative Offering Bid Telephone Number

3. All information about item (s) bid:

Bulk Ice Control Salt

Has a barge that is being loaded now w/ 1500 tons. Another barge will be loaded @ 2 weeks after 1st. 1st barge can be here & ready to unload in 2 weeks.

4. Called Lenny back + asked him to lower price
Price Quoted \$ 128.00 / ton delivered - Changed to \$ 114.00 / ton delivered

5. Needs to be prepaid before delivery.

6. Delivery Time Required

7. Date 10/13/08

10/13/08
DL

A. D. Lane
Signature of Person Taking Quote

TELEPHONE QUOTATIONS FORM

A telephone quotation is allowed for items under \$2,500.00. If the item cost is between \$2,500 to \$10,000 a written quote must be obtained.

1. Central Salt Overland Park, KS
Company Name (Bidder) Address

2. _____ 888-499-7258
Name of Company Representative Offering Bid Telephone Number

3. All information about item (s) bid:

Bulk Ice Control Salt

4. Price Quoted No Salt Available - No Bid

5. Terms _____

6. Delivery Time Required _____

7. Date 10/13/08

A. D. Lars
Signature of Person Taking Quote

TELEPHONE QUOTATIONS FORM

A telephone quotation is allowed for items under \$2,500.00. If the item cost is between \$2,500 to \$10,000 a written quote must be obtained.

- 1. North American Overland Park, KS
Company Name (Bidder) Address
- 2. Linda Winter cell (913)-634-7346
Name of Company Representative Offering Bid Telephone Number
office (913) 344-9360
- 3. All information about item (s) bid:

Bulk Ice Control Salt

Imported salt - 40,000 tons - must purchase full amount. \$154/ton not including delivery. Must be off of dock by 3/31/09. I'll get us more information on this if we're interested.

- 4. Price Quoted No salt available. Will call me if available later this year.
- 5. Terms
- 6. Delivery Time Required
- 7. Date 10/13/08

J. D. Land
Signature of Person Taking Quote

TELEPHONE QUOTATIONS FORM

A telephone quotation is allowed for items under \$2,500.00. If the item cost is between \$2,500 to \$10,000 a written quote must be obtained.

1. Mertha Galt St. Louis, MO
Company Name (Bidder) Address

2. _____ (314) 241-7075
Name of Company Representative Offering Bid Telephone Number

3. All information about item (s) bid:

4. Price Quoted No salt available - No Bid

5. Terms _____

6. Delivery Time Required _____

7. Date 10/13/08

[Signature]
Signature of Person Taking Quote

TELEPHONE QUOTATIONS FORM

A telephone quotation is allowed for items under \$2,500.00. If the item cost is between \$2,500 to \$10,000 a written quote must be obtained.

1. Cargill Salt North Olmsted, OH
Company Name (Bidder) Address

2. _____ 800-600-7258
Name of Company Representative Offering Bid Telephone Number

3. All information about item (s) bid:
Bulk Ice Control Salt

4. Price Quoted No bid - No salt available

5. Terms _____

6. Delivery Time Required _____

7. Date 10/13/08

[Signature]
Signature of Person Taking Quote



Will there be enough road salt this winter?

Why "no bids"?

A salt industry fact sheet Salt Institute president Richard L. Hanneman, September 17, 2008

Last year's heavy snows and high salt demands left both customers and salt miners tapped out at the end of the winter. We were loading trucks right from the mine skip in some cases.

The mines are working flat-out, as close to 24/7 as required maintenance and related concerns allow. It may be "flat out" – but it's a "sustainable flat out". Maintenance projects must be done on schedule for safety and the salt industry is concerned about its fatigued workers and scrupulously follows MSHA employee safety rules. We also face a shortage of experienced mine laborers as well, making short-term staff augmentation difficult. We are trying as hard as we can to produce as much salt as we can to replenish the pipeline.

That "pipeline" has been interrupted this year with four weeks of lock and dam closures on the Upper Mississippi and, in some cases, a late end to winter last season; this shortens our shipping season.

There is intensive competition for available barges on the Mississippi and, reportedly, a couple Lake vessels have been removed from service since last winter and not replaced, putting constraints on vessels to ship salt. There is also the issue of truck availability (railcars are ALWAYS a problem). Not only are barges in heavy demand, but trucks, rail cars and Great Lakes ships are too.

Of course, energy costs have skyrocketed for both production and distribution adding to upwards pressure in industry costs.

Customers are concerned that they ran out of salt last year and have increased their bid amounts so they can buy more salt this year. The bids of five large DOTs increased an aggregate of 2 million tons this summer. Illinois upped its 34% or 421,000 tons; Wisconsin, by 351,000 tons; and Michigan by 279,000 tons. The actual "cap" is certainly higher, but unknown. These bids propose stiff penalties on suppliers who are not able to meet delivery commitments.

The "cap" on the bid is what determines how much salt tonnage a company can bid. For example, in an "80-120 bid" for 100,000 tons, the supplier agrees to deliver up to 120,000 tons and can be penalized for failure to deliver; if the bid were capped at 100,000 tons, the salt company frees up 20,000 tons that can be offered in response to another RFP.

There is, in fact, an inexhaustible supply of salt, but the logistics bottlenecks and current market conditions are augmented this year by a severe capacity crunch of historic proportion as we rebuild stocks in the "pipeline." Mine capacity has been increased; Compass Minerals is in the midst of a 2-million ton expansion at its Goderich, Ontario mine, but it takes both time and money. This single expansion represents adding 10% to the total production capacity of rock salt mines in North America. These are major, multi-million dollar, multi-year projects. Expanding capacity requires additional equipment and machinery orders that used to take 6 months are now taking over a year to deliver.

Offshore salt supplies face many of the same logistics hurdles. It takes time and can often be difficult to contract ships and construct new storage facilities if needed.

The salt industry recognizes that its product saves lives on winter highways and is doing everything humanly possible to ensure that no agency is without salt this winter. See our website for more on the benefits of applying road salt.

While no one can predict the weather and, therefore, the actual need for deicing salt either for roadways and parking lots or for home sidewalks and driveways, the current concern about the ability of salt companies to bid on business for bulk salt for roads and parking lots should have no impact on homeowners' access to bagged deicing products. Within salt companies, these products are handled through different marketing channels and the packaged product group would have registered its order to the mines for the quantity it wants to bag for consumers. Thus, that quantity would be taken "off the top" from the remaining amount of bulk product available to those who are preparing bids by state and local transportation officials or selling to private contractors who clear parking lots for office buildings and shopping centers.

Other resources

U.S. highway salt sales statistics (historical) -- scroll down to highway sales

Salt Institute president Dick Hanneman DTN Meteorlogix webinar presentation "Will You Have Enough Salt This Winter?"

Hanneman interview with Mike Zawacki, editor of *Snow Magazine* podcast

Hanneman presentation on "Salt Shortage" at Tovar Snow Professionals seminar - podcast excerpts

Recent news stories

"Salt shortage looms as winter nears," redOrbit blog, October 11

"Road salt in short supply, local officials find," *Indiana Gazette*, Indiana, PA, October 10

MEMORANDUM

TO: Paul Markworth, City Administrator
FROM: Derek Koestel, P.E. Director of Public Works
SUBJECT: 2008 Salt Purchase
DATE: September 22, 2008
CC: Mayor and BOA

On September 19 we opened bids for this year's supply of Road Salt. The bid was sent to the same vendors list used the last 2 years and advertised in the Post Dispatch. Unfortunately the only response was three letters indicating no bid.

I have called every regional vendor I can find. The results are shown below:

Vendor	Price	Availability
Buchheit Supply	\$114	Confirming Availability
Central salt	\$125-140	End of October?
Lange Stegmann	\$130 to 135	End of October?
T&N	\$140-150	2 weeks ?
North American	No Bid	Will Call Back Thursday
Morton Salt		None
Hutchinson Salt		Call Back 3 or 4 weeks
Gunther Salt	No Bid	None
Cargill	No Bid	none

Last year we purchased 700 Tons at \$39.70/ton and 400 tons at \$43.68/ton.

We currently have approximately 250 tons on hand.

I recommend and request approval to purchase 500 tons of salt from the lowest quote, and continue to investigate

sources for additional salt supplies. This will require an immediate transfer from fund balance of \$15,000.

Salt Usage

	<u>05-06</u>	<u>06-07</u>	<u>07-08</u>
Initial allotment	\$5,861.62	\$ 42,980.87	\$ 27,790.14
Unit Price \$/ton	\$ 36.75	\$ 39.12	\$ 39.70
Unit Price after initial allotment		\$ 39.12	\$ 43.68
Purchased at second price			\$ 17,472.00
Total (rounded)			\$ 45,000.00

COPY

Resolution _____

**A RESOLUTION WAIVING PURCHASING PROCEDURES
AND
AUTHORIZING ACQUISITION OF SALT NEEDED FOR TREATING
O'FALLON STREETS DURING THE WINTER OF 2008-2009**

WHEREAS, the City of O'Fallon strives in all respects to act with caution and prudence in all aspects of its operations, especially in the expenditure of taxpayers' money; and

WHEREAS, the City also places paramount importance on insuring the safety of its residents; and

WHEREAS, due to market forces beyond control of the City, and, indeed beyond control of any municipality in the region, there is a severe shortage of the salt required to treat ice and snow on O'Fallon's streets this winter and the market terms for such salt as might be acquired are such that the normal procedures the City would follow for acquiring such materials cannot be followed; and

WHEREAS, Section 135.340 of the O'Fallon City Code permits the City Council "to waive any and all of the . . . requirements of [the City's] purchasing policy if, in the opinion of the majority of its members, it is beneficial or expeditious for the City to do so."

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF O'FALLON, MISSOURI, AS FOLLOWS:

1. The City of O'Fallon is authorized, and City staff is directed, to acquire 2000 tons of street salt from T & N, Incorporated and to pre-pay such purchase at the rate of \$114.00 per ton, delivered.
2. For reasons stated above, it is hereby found and determined to be beneficial and expeditious, and in the best interests of O'Fallon residents and public safety, that requirements of the City's ordinances and purchasing policy be waived with respect to the purchase authorized hereby.

PASSED BY THE CITY COUNCIL FOR THE CITY OF O'FALLON, MISSOURI, THIS _____ DAY OF _____, 2008.

Presiding Officer

Attest:

Pamela L. Smith, City Clerk

APPROVED THIS _____ DAY OF _____, 2008.

Donna Morrow, Mayor

Attest:

Pamela L. Smith, City Clerk

Approved as to Form:

Kevin M. O'Keefe, Legal Counsel