

## **Consent Item**

**Subject:** Co-operative Salt Purchase

**Department/Program:** Public Works/Snow and Ice Control

**Explanation:** Each year the City of Chesterfield coordinates the purchase and delivery of deicing salt for 49 cities and eight school districts that are members of the St. Louis APWA Salt Co-operative (Co-op). The salt supplier and the hauler price is included in the \$84.05 price per ton. This is different from previous years where the hauling and the salt were split.

Compass Minerals	Furnishing Salt Budget Amount	\$84.05 <b>\$190,000</b>
TABLE 1	SERVICE PROVIDED	CONTRACT UNIT PRICE

There is approximately 5,300 tons of salt remaining in the dome from this past winter. The fall 2023 delivery of 25 tons from the co-op is the minimum requirement to stay in the salt co-op program.

The early 2023 purchase/delivery of 500 tons will be in the 2024 budget. The actual tonnage purchased can be adjusted up or down depending on need when we get to that point. We are required by the co-op to place the spring 2023 order by August 15th of 2023.

**Recommendation:** We recommend awarding the contract for 25 tons of salt for late 2023 delivery and an additional 500 tons for early 2024 delivery to the City of Chesterfield Coop/Compass Minerals based on the unit prices in Table 1.

TABLE 2 2023/2024	CONTRACT UNIT PRICE	FALL 2023 DELIVERY (25 TONS)	EARLY 2024 DELIVERY (500 TONS)
Compass Minerals	\$84.05	\$2,101.25	\$42,025

Submitted By: Jim Link

Date: 6-1-2023



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May 17, 2023

Jim Link City of Ballwin 1 Government Center Ballwin MO 63011

Re: St. Louis Metro APWA Salt Cooperative (Co-op) 2023/2024 Order and Explanation of Co-op Changes

Dear Co-op Salt Participant:

As you may know, the City of Chesterfield coordinates the purchase and delivery of deicing salt for all members of the St. Louis Metro APWA Salt Cooperative (Co-op). The Co-op is currently comprised of 49 cities and 8 school districts which combine their purchasing power to obtain the best price possible for deicing salt.

As you may recall, last year there was a substantial change in the manner in which the Coop is administered. Previously there were two contracts – one for the salt itself and one for salt delivery. This system recently became problematic as there was only one company willing to bid on salt delivery for the Co-op. Accordingly, after numerous announcements at APWA St. Louis Branch meetings and conferring with several Co-op members, the Co-op has been modified so that there is now only one contract. The contractor who is awarded the bid for salt will now be responsible for delivering that salt to the Co-op members. Therefore, instead of two separate vendors and purchase orders you will now only need to issue one purchase order – directly to the salt vendor.

On behalf of the Co-op, the City of Chesterfield publicly opened bids for the purchase of an estimated 28,000 tons of salt on May 18, 2022. Two companies submitted bids with Compass Minerals submitting the low bid of \$78.37 per ton. Compass Minerals provided excellent service and high quality salt to the Co-op. Therefore, I negotiated an extension with Compass at an increase of 7.25%, and recommended that the City of Chesterfield City Council accept the new price of \$84.05 per ton from Compass Minerals, on behalf of the Co-op. That recommendation was approved by the City of Chesterfield City Council on May 15, 2023.

Similar to previous years, there will be two separate salt orders. The City of Chesterfield must provide the total for the initial order (known as the Fall Order) by August 15. The salt ordered as part of the Fall Order will be delivered to you between October 1 and December 20, in accordance

with the contract documents. The City of Chesterfield must provide the total for the second order (known as the Winter Order) by January 15. The salt ordered as part of the Winter Order will be delivered between February 1 and March 1.

If you desire to participate in the Co-op again in 2023/2024, your agency will need to issue a Purchase Order to Compass Minerals for the amount of salt you wish to order. The cost of your Purchase Order can be determined simply by multiplying the desired amount of salt by \$84.05. **Please note that the minimum order for each agency is 25 tons.** For this winter season the cost for the Fall Order and the Winter Order is the same. Additionally, the cost to each agency is the same - \$84.05 per ton. If you would like to proceed with an order on behalf of your agency, please proceed as follows:

1) Fall Order: Please complete the Salt Request Form and generate a Purchase Order to Compass Minerals. All Purchase Orders must be emailed to the City of Chesterfield and received by noon on August 11, 2023. Orders received after that date / time will NOT be included in the Fall Order. The Purchase Order must be emailed to Christine Dorough at <u>cdorough@chesterfield.mo.us</u>. The Purchase Order must be made out to Compass Minerals – NOT the City of Chesterfield. Note: You do not need to complete the Winter order at this time although you may choose to do so. All purchase orders submitted to the City of Chesterfield will be compiled and forwarded to Compass as part of the Fall Order. Information for Compass Minerals is as follows:

Compass Minerals 9900 West 109<sup>th</sup> Street, Suite 100 Overland Park, Kansas 66201

2) Winter Order: Please complete the Salt Request Form and generate a Purchase Order to Compass Minerals. All Purchase Orders must be emailed to the City of Chesterfield and received by noon on January 12, 2024. Orders received after that date / time will not be included in the Winter Order. The Purchase Order must be emailed to Christine Dorough at <a href="mailto:cdorough@chesterfield.mo.us">cdorough@chesterfield.mo.us</a>. The Purchase Order must be emailed to Christine Dorough at <a href="mailto:cdorough@chesterfield.mo.us">cdorough@chesterfield.mo.us</a>. The Purchase Order must be made out to Compass Minerals – NOT the City of Chesterfield. All purchase orders submitted to the City of Chesterfield will be compiled and forwarded to Compass as part of the Winter Order. Information for Compass Minerals is provided above.

Please be advised that there is no flexibility in the dates provided above. The City of Chesterfield is coordinating this order on behalf of 57 agencies – it is the responsibility of each agency to assign the appropriate personnel and ensure the deadlines are met if they wish to remain a member of the Co-op.

Once each order is placed by the City of Chesterfield (on behalf of the Co-op), your agency will receive confirmation of your order along with the anticipated delivery timeframe and a project contact with Compass Minerals. At that point, all correspondence regarding your order shall be between your agency and the vendor (Compass Minerals). Please do NOT contact the City of Chesterfield to ask about the status of your order. The vendor will contact you a minimum of 36 hours prior to delivery. Once you are contacted, your agency must be prepared to accept the salt

during its scheduled delivery time. This means you must commit to having personnel available to receive salt whenever it is scheduled. This may require premium, overtime or holiday pay. The City of Chesterfield does not control the date of delivery and neither the City of Chesterfield nor the Co-op will pay demurrage.

Please be advised that the City of Chesterfield's role in this process is solely to administer and coordinate the bid. We do not inspect or test the salt and we will NOT do that on your behalf. The purchase of this salt is between your agency and the vendor (Compass Minerals). If you believe the salt does not meet specification, your agency must address that directly with the vendor.

Each year, we remind the participating members that they must commit to receiving salt when it is delivered. It may arrive on a weekend or a holiday and may require overtime. **IF YOU ARE NOT PREPARED TO ACCEPT DELIVERIES WHENEVER THEY ARRIVE, DO NOT ORDER THROUGH THE CO-OP**. The City of Chesterfield and the Co-op have no ability to reschedule or delay deliveries. You must coordinate delivery directly with the vendor, and your agency will be responsible for any additional costs associated with rescheduling the deliveries or demurrage charges.

The City of Chesterfield coordinates the Co-op at no cost to the members. We only ask that you adhere to the deadlines and provide timely responses. If you do not want to participate this year, please simply email Christine Dorough at <u>cdorough@chesterfield.mo.us</u>. Please note that no follow-up letters or reminders will be sent. If you want to participate in the Fall Order, we need an emailed copy of your Salt Request Form and Purchase Order by August 11, 2023. If you want to participate in the Winter Order, we need an emailed copy of your Purchase Order by January 12, 2024.

Should you have questions or require additional information, please contact me at jeckrich@chesterfield.mo.us or 636-537-4764.

Sincerely,

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James A. Eckrich, P.E. Public Works Director/City Engineer

Enclosure

## SALT REQUEST FORM (Please type or print legibly)

City		
Mailing Address		
Delivery Address		
Contact Person		
Telephone #		
E-Mail Address		
Alternate Contact		
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