



Legislation Text

File #: O-276-21, Version: 1

DPS 2021 SBH Salt Contract
Streets, Bridges & Harbor
Jeremy Mikolajczyk (x1537)/Paul M. Rasmusson (x7868)
Revised

Authorizing the Mayor to enter in to a contract with Cargill De-Icing Technology for the purchase of bulk salt; waiving the competitive procurement requirements of TMC Chapter 187; authorizing the expenditure of funds from the Special Assessment Fund; and declaring an emergency.

SUMMARY & BACKGROUND:

The Division of Streets, Bridges & Harbor bids the delivery of bulk salt on a regular basis for the purpose of snow and ice control. Salt prices have been very volatile in recent years. The City of Toledo can receive as many as four or as few as zero bids depending on the month and season. In the past, the City of Toledo has paid as much as \$100/ton of salt. The 2019 salt contract was for \$65.44/ton. The 2020 Contract was issued to the lowest and best bidder, Cargill, for the amount of \$39.21/ton. Cargill has approached the City of Toledo with an offer of a 3% increase to renew the contract for 2021. This would bring the contract to \$40.38/ton. Understanding the current climate of supply and demand of bulk salt, SBH believes that this will be the lowest and best option for the City of Toledo in 2021. Because of the large amount of salt that needs to be delivered by ship, it is imperative that the contract be awarded to schedule the multiple deliveries to the Arms Dock, as the City of Toledo no longer has its own port.

The fiscal impact of this Ordinance is as follows:

- The amount of funds requested: \$40.38/ton (approx. \$2.3M)
- The expenditure budget line item: 3050-23100-523480-2422001STDSTD
- New revenue generated (operational revenue, grants, if any): none
- Revenue budget line item (if any): none
- Are funds budgeted in the current fiscal year (yes/no)?: yes
- Is this a capital project (yes/no)? no
- If yes, is it new or existing (new/existing)?
- What section of the City's Strategic Plan does this support:
 - o Excellence in Basic Services (yes/no) yes
 - o Quality Community Investment (Livable City, Development) (yes/no) no
 - o Workplace Culture & Customer Service (yes/no) no
 - o Environment (yes/no) no

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the Mayor is authorized to enter into a contract with Cargill De-Icing Technologies for the purchase of bulk salt, upon such terms and conditions acceptable to the Director of Public Service and

the Director of Law.

SECTION 2. That this Council finds and determines it is in the best interests of the City to waive the competitive procurement requirements of TMC Chapter 187 for the reason that the per-ton contract rate is competitive with the prevailing market rate for bulk salt and contracting with Cargill De-Icing Technologies will facilitate timely salt delivery at the City-leased Arms Dock.

SECTION 3. That the expenditure of an amount not to exceed \$2,300,000 is authorized from the Special Assessment Fund Account Code 3050-23100-2422001STDSTD for the purchase of bulk salt.

SECTION 4. That the Finance Director is authorized to draw warrant or warrants against the above Account Code in an amount not to exceed \$2,300,000 in payment of the obligations authorized above upon presentation of the proper voucher or vouchers.

SECTION 5. That this Ordinance is declared to be an emergency measure and shall be in force and effect from and after its passage. The reason for the emergency lies in the fact that same is necessary for the preservation of the public peace, health, safety and property and for the further reason that this Ordinance must be immediately effective in order to deliver bulk salt to the City of Toledo.

Vote on emergency clause: yeas 12, nays 0.

Passed: May 25, 2021, as an emergency measure: yeas 12, nays 0.

Attest:

Gerald E. Dendinger
Clerk of Council

Matt Cherry
President of Council

Approved:

May 26, 2021
Wade Kapszukiewicz
Mayor