

III.B

MEMORANDUM



DATE: April 14, 2011
TO: Mike Herring, City Administrator
FROM: ^{BM} Brian McGownd, Public Works Director/City Engineer
RE: Emergency Purchase – Deicing Salt – Fund Transfer

As you know, back in February of this year, due to the above normal snowfall and subsequent salt usage, and the delay of barges delivering salt up the river as part of the coop, the decision was made to purchase additional deicing salt. (See attached memo dated February 1, 2011).

Due to the demand for salt, we had to purchase the supplemental salt at a rate of \$112.50 per ton, which was more than double the coop rate of \$50.18 per ton. A total of 487.67 tons were purchased at a total cost of \$54,862.88. If this salt would have been purchased through the coop, it would have cost \$24,471.28. Therefore, do to this emergency situation; an additional \$30,391 was expended that was not anticipated.

Therefore, **in order to ensure that we have enough salt on hand going into next winter, we request that \$30,391 be transferred from General Fund – Fund Reserves into Account No. 001-072-5340. Again, this will allow us to go into the winter with a full dome of salt.**

If you concur, we will place this item on the upcoming Planning & Public Works Committee agenda. If you have any questions, or need additional information, please advise.

Cc: Mike Geisel, Director of Planning & Public Works
Kelly Vaughn, Director of Finance
Mike O'Connor, Superintendent of Maintenance Operations

OK'd
Jesse
4/14/11

MEMORANDUM



DATE: February 1, 2011
TO: Mike Herring, City Administrator
FROM: Brian McGownd, Public Works Director/City Engineer
RE: Emergency Purchasing - Deicing Salt

As you know, we have had an above average amount of snow and sleet this winter. We currently estimate our deicing salt quantities to be approximately 1,800 tons. That is more than sufficient for the current storm that we are experiencing, and should also be sufficient for a couple more typical storms. However, this is the beginning of February and has already been a difficult season.

We have additional salt scheduled to come up the river via barge. At the very best case, this is a minimum of three weeks out. We were also notified today that the dock facility has temporarily closed down due to icing and safety concerns, which pushes any delivery back further.

While not immediately critical, we have determined that we should act immediately to secure supplemental materials where possible. Many Cities are in dire need of deicing salt now, and although we're in reasonably good shape due to our storage dome and conservative approach, we simply cannot place the City in a situation where we run out of salt.

We've sought a secondary source and have only been able to find one company that is trucking it in through Kansas from the mines out west. The current pricing is \$112.50, which is essentially double our cooperative source cost. We are moving forward to purchase 500 tons from that vendor under our emergency procurement procedures as outlined in the Purchasing Manual. Inasmuch as we would typically procure salt in the spring and fall of 2011, later in this fiscal year, there is no need to immediately address the additional funding required. However, we will obviously, seek supplementary funding to ensure that we enter the 2012 snow season with a full dome of salt.

Cc: Mike Geisel, Director of Planning & Public Works
Kelly Vaughn, Director of Finance
Mike O'Connor, Superintendent of Maintenance Operations