



**AGENDA ITEM EXECUTIVE SUMMARY**

**Agenda Item Number: \*4.J**

**Title:** Recommendation to Approve a Resolution to Award the Contract Extension for Water Treatment Salt

**Presenter:** Tim Wilson

**Meeting:** Government Services Committee

**Date:** February 28, 2022

Proposed Cost: \$ 88,374

Budgeted Amount: \$ 100,000

Not Budgeted:

**Executive Summary** (if not budgeted please explain):

The Water Division uses salt as a water treatment method for radium removal. The City currently has two water treatment facilities that use salt for this radium removal process. The City advertised and solicited bids for water softening salt. In May, 2020, the City awarded a two-year contract to Midwest Salt of West Chicago.

This coming April will be the end of the original two-year contract with Midwest Salt. The contract allows for extensions, with current market price variances. City Staff contacted Midwest to see if we can negotiate an extension. Midwest salt agreed to a one-year contract extension at a 4%-unit cost increase. The proposed price change is listed below:

	Current Pneumatic Delivery <u>FY (21-22)</u>	Current Dump Delivery <u>FY (21-22)</u>	Proposed Pneumatic Delivery <u>FY(22-23)</u>	Proposed Dump Delivery <u>FY(22-23)</u>	Estimated Annual Cost <u>FY 22 – 23</u>
<u>Bid Results</u>					
Midwest Salt	\$121.75/Ton	\$114.00/Ton	\$126.62/Ton	\$118.56/Ton	\$88,374.00/ FY

It is Staff’s opinion that in comparison to past years, the proposed FY 22-23-unit cost increase for both delivery methods is acceptable. This overall expense was expected to increase as the United States Army Corps of Engineers has been reconstructing several river locks and dams. This construction will result in additional shipping cost to bypass these river closures with trucking. With the national shortage of trucking, the expense in delivery will continue to rise. The water treatment salt for this region is shipped up the Mississippi and Illinois Rivers and these river closures are projected to last the rest of this year.

Salt usage is based on water production; therefore, there may be a slight variation in salt usage from year to year. Currently, the City uses an average of 725 tons of water treatment salt per year, with approximately 300 tons in pneumatic deliveries and 425 tons in dump deliveries. To safe guard the City, the proposed contract allows the total annual increase or decrease to 15% without penalty.

**Attachments** (please list):

None

**Recommendation/Suggested Action** (briefly explain):

Recommendation to approve a Resolution to award a one-year contract extension to Midwest Salt for water treatment salt based on the unit prices provided in the bid.

**City of St. Charles, Illinois  
Resolution No. \_\_\_\_\_**

**A Resolution to Award a One-Year Contract Extension to Midwest Salt  
for Water Treatment Salt based on the Unit Prices Provided in the Bid**

**Presented & Passed by the  
City Council on March 7, 2022**

WHEREAS, In May, 2020, the City awarded a two-year contract to Midwest Salt of West Chicago;

WHEREAS, This coming April will be the end of the original two-year contract with Midwest Salt;

WHEREAS, Midwest salt agreed to a one-year contract extension at a 4%-unit cost increase;

THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that a one-year contract extension be awarded to Midwest Salt for Water Treatment Salt based on the unit prices provided in the bid.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 7<sup>th</sup> day of March, 2022

PASSED by the City Council of the City of St. Charles, Illinois, this 7<sup>th</sup> day of March, 2022

APPROVED by the Mayor of the City of St. Charles, Illinois, this 7<sup>th</sup> day of March, 2022

\_\_\_\_\_  
Lora Vitek, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain: