

Livonia Public Schools

Business Services Office

Date: September 27, 2016

To: Andrea Oquist, Superintendent

From: Alison Smith, Director of Finance

Re: Discussion to Purchase Bulk Road Salt

We would like to discuss the purchase of bulk road salt at the next Finance Committee Meeting on Monday, October 3, 2016. The source of funds for this purchase is the General Fund.

We are proposing the purchase of 1,500 tons of road salt for the 2016-17 winter season for \$42.37 per ton for a total cost of \$63,555 from the MiDEAL Extended Purchasing Program through the Michigan Department of Technology, Management and Budget. This is a reduction of \$11.61 per ton from last year.

The school district is required to purchase 70% of the road salt, which would be 1,200 tons at a cost of \$50,844. The first shipment of salt would arrive in October. The contract permits us to buy a percentage depending on the needs of the school district. If we have more weather than the 1,500 tons can cover, we are allowed to purchase an additional 30% of bulk salt at our price per the contract.

The bulk road salt purchases for the last three winter seasons are:

2013/14 – Purchased 2,000 tons and used 2,000 tons

20 14/15 – Purchased 2,000 tons and used 1,800 tons

2015/16 – Purchased 1,200 tons and used 1,100 tons

Please contact me if you have any questions.

AMS/kp

Attachment

c: Board of Education