

City Council Action Report

Date: August 25, 2005  
Subject: Salt Storage Dome  
Strategic Council Goal: Nos. 1 & 2

**Recommended Action and Major Considerations:**

- Authorize the Mayor to sign an agreement with J.A.C. Building, Inc., in the amount of \$75,523.00. This contract will include equipment, materials and labor necessary to construct a storage dome for covered containment of road salt. A contingency of \$4,000.00 is also requested for minor changes in the work.
- Adequate funding for this project is available from the Maintenance and Operations administrative account and the Water and Environmental Services stormwater account.
- This project meets Council's Objectives of Upgraded City Infrastructure and a Fiscally Responsible City Government.
- A copy of the bid summary and support documentation detailing this recommendation is attached to this Staff Report.

**Background and Other Information:**

- In July, 2005, the City received notification that due to shipping issues the price of road salt would be increased from \$37.83 per ton to \$66.68 per ton effective September 15<sup>th</sup>. This represents a 76% price increase.
- The City uses approximately 1300 tons of road salt in an average winter season. At the increased rate, the City could expect to pay an additional \$37,505.00 for an average winter's supply of road salt.
- The current salt storage bin can hold 700 tons of material and requires salt to be covered with a tarp. Exposure to the elements and summer rains frequently cause leaching from the bin.
- It was determined that a 50' x 80' salt dome would be sufficient to hold approximately 1500 tons or one season's supply of road salt.
- Formal bid packets were sent to approximately 8 vendors. On August 12, 2005 the City opened bids for a salt dome. J.A.C. Building, Inc., of Arvada, Colorado, was the sole responding bidder at a price of \$78,723.00. An alternative bid item allowed for a \$3,200 reduction and an adjusted bid price of \$75,523.00.
- J.A.C. has constructed domes for Broomfield, Lafayette and several units for CDOT. A check of references indicates their performance on previous contracts has been quite satisfactory.

**Budget Information:**

- Although this was not a budgeted project for 2005, there is sufficient funding remaining in the M&O administrative account and W.E.S. stormwater account to cover the cost of construction. An immediate savings of \$28,850.00 can be realized by purchasing 1,000 tons of road salt prior to September 15<sup>th</sup>, making the net cost of the structure \$46,673.00.

Respectfully Submitted:



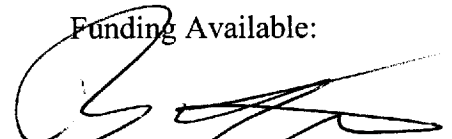
Norm Bell, M&O Planner

Approved for Submittal:



Phil Nelson, City Manager

Funding Available:



Brent Worthington,  
Treasury Manager

**COUNCIL ACTION TAKEN:**

\_\_\_\_\_

## MEMORANDUM

**To:** Phil Nelson, City Manager

**Fr:** Norm Bell, <sup>MB</sup>M&O Planner

**Dt:** August 17, 2005

**Re:** Salt Dome

On July 18, 2005, the City of Northglenn received notification from MAPO that our current road salt vendor, Independent Salt of Kanopolis, Kansas, would be passing along a significant price increase effective September 15, 2005. The price increase is a result of failure to negotiate guaranteed delivery dates and fees with the Union Pacific Railroad for shipment of salt from Kansas to Colorado. Last year, many of the participating cities experienced delivery timing problems. Independent has decided to truck the salt in for the coming winter season.

Our current pricing of \$37.83 per ton will increase to \$66.68 per ton on September 15<sup>th</sup>. Based on historical data and RAQC reports, Northglenn's annual usage of road salt is approximately 1300 tons in an average winter season. The projected price change reflects a 76% increase or \$37,505.00 per year in additional cost.

Our current storage capacity is approximately 700 tons. The storage bin is outdoors and requires tarping to keep stockpiles covered. Wind conditions disturb the tarps and storms cause the salt to be exposed to rain causing leaching from the bin and contamination from dust and debris. Originally, a covered salt dome was proposed in the 2007 CIP. Project costs were estimated at \$70,000 - \$80,000. Staff determined that a 50' x 80' fabric covered structure on a 48" foundation wall would be adequate to store 1500 tons of material.

A decision was made that it would be in the City's best interest to order 1,000 tons of salt prior to the September 15<sup>th</sup> deadline to have adequate stockpiles on hand for the coming winter season thus saving the City \$28,850.00 and allowing time to review purchasing strategies for the '06-'07 winter season. After further discussion, it was determined that there was sufficient funding this year in the M&O administration account and Water and Environmental Services stormwater account to cover the cost of a salt dome.

A specification was acquired from CDOT for a 50' x 80' salt dome and the project was advertised as F/B-10. Eight vendors picked up or were e-mailed bid packets. J.A.C. Building, Inc., of Arvada was the sole responding bidder at a price of \$78,723.00. An alternative option increasing span spacing allowed for a \$3,200 deduction reducing the bid price to \$75,523.00. J.A.C. has constructed domes for Lafayette, Broomfield and CDOT. It is the recommendation of staff to award a contract to J.A.C. and proceed with construction this year. If approved, it is anticipated the dome would be complete by October 31, 2005.



**CITY OF NORTHGLENN  
FORMAL BID SUMMARY**

**BID NUMBER: 2005 FB-1C**

**PAGE 1 OF 1**

**BID NAME: Salt/Sand Structure**

**DEPARTMENT: M&O**

<i>JAC Building</i>					
DATE DUE: 08/12/05	BID RECEIVED: DATE: 8/12/05	BID RECEIVED: DATE:	BID RECEIVED: DATE:	BID RECEIVED: DATE:	BID RECEIVED: DATE:
TIME: 2:00 P.M.	TIME: 10:52	TIME:	TIME:	TIME:	TIME:
Salt/Sand Storage Facility cost	<i>78,723.00</i>				
Table compliance Yes No	<i>Yes</i>				

*Kathleen Krasnulek*  
Buyer

*Mirna L. Lentz*  
City Clerk

*8-12-05*  
Date



## AGREEMENT

**PROJECT NAME: SALT / SAND STORAGE STRUCTURE**

**PROJECT NUMBER: 2005 F/B – 10 PROJECT MANAGER: Norm Bell**

**THIS AGREEMENT**, made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the City of Northglenn, hereinafter called “CITY”, and J.A.C. Building, Inc., hereinafter called “CONTRACTOR”.

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The CONTRACTOR will commence and complete the project named:

**“SALT / SAND STORAGE STRUCTURE”**

2. The CONTRACTOR will furnish all of the materials, supplies, tools, equipment, labor supervision, and other services necessary for the completion of the PROJECT described herein.

3. The CONTRACTOR will provide performance and payment bonds and a certificate of insurance naming the City as an additional insured for purposes of said project within 10 days after the date of the NOTICE OF AWARD.

4. The CONTRACTOR agrees to perform all of the WORK described in the CONTRACT DOCUMENTS and comply with the terms therein for the sum of \$ 75,523.00, or as shown in the BID schedule. The CONTRACTOR will commence the work within 7 calendar days after the date of NOTICE TO PROCEED. The CONTRACTOR will complete the work within 60 calendar days after the date of NOTICE TO PROCEED unless the period for completion is extended otherwise by the CONTRACT DOCUMENTS.

5. The term “CONTRACT DOCUMENTS” means and includes all items as set forth in Section 1.01 of the General Conditions.

6. The CITY will pay to the CONTRACTOR in the manner and at such times as set forth in the General Conditions such amounts as required by the CONTRACT DOCUMENTS.

7. This AGREEMENT shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in TWO copies, each of which shall be deemed an original on the date first above written.

**CITY:**  
City of Northglenn  
By \_\_\_\_\_  
Name Kathleen M. Novak  
Title Mayor

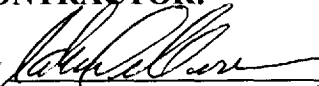
ATTEST:

\_\_\_\_\_  
Name Diana L. Lentz, CMC  
Title City Clerk

(SEAL)

APPROVED AS TO FORM:

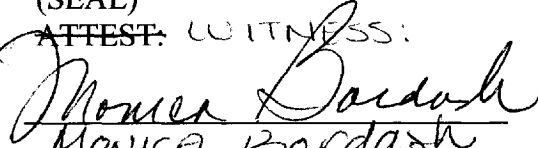
\_\_\_\_\_  
Herbert C. Phillips, City Attorney

**CONTRACTOR:**  
By   
Name John A. Gillespie  
(Please Type or Print)

Title VP  
Address 13020 W 58th Ave  
Avrada Co 80002

(SEAL)

ATTEST: WITNESS:

  
Monica Bordash  
Name (Please Print or Type)  
Title Admin Technician