

ROAD SALT

Roxana Dietz - Pennsylvania
Bruce Hallenbeck - New York



Who can participate?

- NY – State and non-state entities
- NJ – State DOT and quasi-state agencies
- CT – State and non-state entities
- DE – State and non-state entities
- NH – Towns now eligible
- MD – State and non-state entities
- ME – State DOT and municipalities



Yearly Tonnage

- NY – 3,000,000 tons
- NH – 190,000 tons
- NJ – 200,000 tons
- MD – 640,719 tons
- CT – 220,000 tons
- VT – 110,000 tons
- DE – 115,000 tons
- ME – 145,000 tons



How do you collect requirements?

- NY – Requirement letters via USPS
- NH – RFI to towns, DOT submits
- NJ – Paper and electronic spreadsheet
- MD – Paper spreadsheet format
- CT – Two mailings, 5/1 and 6/1
- VT – Spreadsheet and e-mail
- DE – Electronic online data and spreadsheets
- ME – Spreadsheet and e-mail



Do you have min/max requirements?

- NY – 70% - 150% with price increase at 120% and 130%
- NH – No min/max
- NJ – DOT 83,000 tons min, no max, others no min/max
- MD – DOT 20% min, others no min/max
- CT – DOT 100% min, others 50% min
- VT – No min/max
- DE – No min/max
- ME – No min/max



Contract Period/Renewal

- NY – One year, yearly renewals up to five years total
- NJ – One year, yearly renewals up to three years total
- CT – One year, one year renewal option
- DE – One year, yearly renewals up to five years total
- NH – One year, yearly renewals up to five years total
- MD – One year, one year renewal option
- VT – One year, yearly renewals up to three years total
- ME – One year, yearly renewals up to three years total



How is contract awarded?

- NY – By county, some low volume counties combined
- NJ – By individual location per agency, statewide
- CT – By DOT region, total of six regions
- DE – By county, total of three
- NH – By DOT district, total of six districts
- MD – Regional, line by line item
- VT – By AOT district, total of nine districts
- ME – By region



How is renewal price determined?

- NY – Uniform percent (+/-) must be offered to all contractors
- NJ – Negotiated
- CT – discuss with contractors to determine fair market value
- DE – Negotiated
- NH – No price change allowed
- MD – Adjustment based on CPI, negotiate with each vendor
- VT – Negotiated
- ME – If vendor will not reduce pricing, region is re-bid

What prices are expected for upcoming year?

- NY – Renewing 51 counties ranging from 29% decrease to 4% increase, 11 counties will be re-bid
- NJ – negotiating price decrease
- CT – decrease
- DE – No increase expected
- NH – Up to 5%
- MD – 10% - 15%
- VT – 2% in three districts, re-bidding other six districts

When do you bid?

- NY – Early/mid July
- NJ – June/July
- CT – Late August, likely earlier this year
- DE - Spring
- NH – May/June
- MD – June/early July
- VT – June
- ME - June

What if you don't meet the minimum?

- NY – Obligated to buy, contractor will hold with carrying charge
- NJ - DOT must buy the minimum
- CT – Unknown
- DE – No min
- NH – No min
- MD – No min
- VT – No min
- ME – No min



What if you exceed the max?

- NY – If contractor will not supply, becomes open market purchase
- NJ - No max
- CT – contractors have provided additional quantities
- DE – No max
- NH - No max
- MD - No max
- VT – No max
- ME – No max



Do you allow solar salt?

- NY- only in southernmost counties
- NJ – No
- CT – Yes
- DE - Yes
- NH – Yes
- MD – Yes
- VT – No
- ME - No



Do you use other snow and ice products?

- NY –Treated salt and liquids
- NJ – Calcium Chloride
- CT – Calcium Chloride
- DE – Brine solution
- NH – Yes
- MD – Potassium Acetate, pre-treated salt with MgCl
- VT – On trial basis
- ME – Calcium Chloride Flake



Other discussion points?



Road Salt Contacts

- NY – Karol Garrison (518) 486-1564
karol.garrison@ogs.state.ny.us
- NJ – Al Karamali (609) 292-4188
al.karamali@treas.state.nj.us
- NH – Michael Walsh (603) 271-3235
michael.walsh@nh.gov
- MD – Walter Johnson (410) 767-4605
walter.johnson@dqs.state.md.us
- CT – Susan Thomas (860) 713-5091
susan.thomas@ct.gov
- VT – Dona David Bosley (802) 828-2217
dona.bosley@state.vt.us
- DE - Sandy McKinley (302) 838-8067
sandy.mckinley@state.de.us
- ME – Terry DeMerchant (207) 624-7334
Terry.L.DeMerchant@maine.gov


Northeast Regional Conference


Commonwealth of Pennsylvania
Salt Contracts



National Association of State Procurement Officials

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Background


Unique challenges:

- PENNDOT requires complicated ISO driven Quality and Manufacturing qualification prior to allowing specific companies/ mines as an “Approved Source”.
- PENNDOT typically subsidizes local Pa. Gov’ts for portion of their salt expenses through the Liquid Fuel Tax Rebate.
- Local Gov’ts required to use only PENNDOT approved sources to qualify for these funds.

Supply/Demand is often extremely tight during the winter months.


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Strategy for 08/09 Winter Season

- BOP instrumental in working with suppliers to avoid Local Gov’t Stock-outs of Salt.
- Safety of the public intact, but allowed local Gov’ts to avoid a premium of \$4M required to contract independently with national salt suppliers.
- Based on BOP performance in the 2008/2009 season increased COSTARS (Local Gov’t) participation in 2009/2010 contract by 50%.

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Market Dynamics

- No longer a competition based marketplace.
- Vendors know prices through “Freedom of Information”.
- Makes “Managing Bids” relatively easy for current suppliers.
- Although a variety of suppliers are still in business, they continue to operate at or near 90% utilization and capacity.



This makes it a Seller's Market!


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Long Term Strategy

- Continue to qualify additional Sources of supply approved by Penn DOT's Labs.
- Continue to evaluate other skid resistant material to determine if it is cost effective.
- Work with other states in coordinating bids and specifications.
- Determine if changes in min/max contract language effects pricing.



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