



INFRASTRUCTURE

PROCUREMENT: Pre-Season Fills of Stockpiles



Practice in Salt Procurement	Impact of Practice
Having storage for 100% to 150% of average annual salt needs (AASN)	Lowers costs
Having emergency stockpile for 20% to 40% of AASN	Lowers costs
Specifying desired salt quantities as tightly as possible	Lowers costs
Requiring mid-winter delivery in short time-period	Raises costs
Having Multi-year contracts	Lowers costs
Allowing salt deliveries at any given time (rather than during work hours)	Lowers costs
Requesting bids earlier in the year	Lowers costs
Having multi-year contracts	Lowers costs
Taking pre-season fills of salt	Lowers costs

Cost for salt rises as risks increase. Early season fill has very little risk for the agency and almost no risk to the vendor. It is a way for agencies to secure their material and ensure they will have salt in the shed at the onset of the winter season.

Some agencies contracts allow for early season or pre-season deliveries of salt. These contracts can be structured in several different ways, some are a separate bid for early season salt, or it can be part of an annual bid with pre-season delivery included. Pricing for pre-season salt will vary depending upon the severity of the previous winter and the availability of salt to fill early season orders. In many cases a slight reduction in price is normal. There are some real benefits to the agency and to the vendor by utilizing preseason bidding and delivery. From the agency standpoint there is the possibility of a slight reduction in price the most importantly material will be in the sheds prior to the start of the winter season. The benefit for vendors is a guarantee of the delivered amount of salt and delivery right from the dock eliminating the need to store the material over the summer months. This also can mean additional salt reserves may be stored at that location. The dual benefit of the salt in the shot of an agency and a reduced amount of storage at the dock can have a positive environmental benefit as well.

Delivery of preseason materials during the summer months generally takes place during normal hours and during a normal work week. This can mean delivery over several weeks, but the benefits outweigh this slight implication. Delivery of the material during the construction season may also be challenging at times due to the demand for trucks. On the other hand, ice covered roadways and ice-covered waterways are not an issue making delivery much easier in the spring and summer months.

As a best practice, if an agency can structure their contracts in such a way as to use the summer-time period for many of the salt deliveries this is greatly beneficial for both the agency and the vendor.

The numbers: pre-season filling tends to provide a known quantity of salt at a lower price than in-season deliveries, and under conditions that were typically less fraught than during the winter season.



The Alternatives: Bidding salt for an upcoming season and depending on delivery just before the season begins. The agency also risks higher costs and the possibility of less salt available depending on when the bids are let.

The needs: early season delivery requires that the agency defines its needs during the ongoing winter season, gets the bid out very early, and has the ability to take the pre-season fill as soon as the contract is let. It also requires that the agency have staff available during normal hours throughout the summer to handle the delivery of this material.

