



# STATE OF INDIANA

Mitchell E. Daniels Jr., Governor

DEPARTMENT OF ADMINISTRATION  
Commissioner's Office

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## State Agencies, Local Governments, Schools: Purchasing Power Creates Savings on Road Salt

INDIANAPOLIS (June 30, 2010) - Participating state agencies and 198 Indiana local units of government will save more than \$1.1 million during the second year of the state's *OneIndiana* road salt program. The program consolidated the 198 entities' pledge to purchase at least 80 per cent of 251,500 tons of road salt for winter 2010-2011 and, in a year where salt prices were expected to increase, the prices quoted to Indiana amounted to a total savings of 3.54 per cent over the state's 2009 contract prices.

Prior to winter 2009-2010, several years of heavy snow and ice resulted in salt availability issues and high spot pricing. The strain on local budgets brought about the collaboration between the Indiana Department of Administration (IDOA), the Indiana Department of Transportation (INDOT), and participating cities, towns, counties and schools. As a result of the pooled purchasing, savings amounted to \$8.5 million last year – a 40 per cent average decrease.

“Expansion of the state’s buying power to include local units of government benefits each of us,” said IDOA Commissioner Robert D. Wynkoop. “As an added benefit, an Indiana company, Cargill, was again one of the bid winners that will supply treated and untreated salt.” Detroit Salt and North American Salt will also supply products to participants.

“Through this valuable program the State of Indiana has given participating municipalities the ability to better predict road salt expenditures from year to year,” said Matt Greller, executive director of the Indiana Association of Cities and Towns. “This predictability allows city and town government to budget more precisely and frees up scarce resources for other vital public services.”

“The purchasing power of county government and taxpayers increases with these types of joint purchasing efforts,” said David Bottorff, executive director of the Association of Indiana Counties. “Taxpayers deserve and expect these types of efforts all the time, not just in difficult economic times. The Association of Indiana Counties appreciates the state coordinating the road salt purchasing program as another money saving option for county government.”

Local units of government that received the greatest savings in purchasing untreated salt are listed below:

<b>LOCAL HIGHLIGHTS</b>			
<i>UNTREATED SALT</i>			
<b>LOCAL ENTITY</b>	<b>2009-2010 PRICE PER TON</b>	<b>2010-2011 PRICE PER TON</b>	<b>SAVINGS</b>
Town of Flora	\$128.00	\$52.50	59.0%
City of New Albany	\$110.00	\$59.34	46.1%
Indianapolis Airport Authority	\$105.00	\$63.16	39.8%
MSD Washington Township	\$92.00	\$63.16	31.3%
MSD Perry Township	\$90.00	\$63.16	29.8%
New Prairie United School Corp	\$85.00	\$52.50	38.2%
MSD Wayne Township	\$84.00	\$63.16	24.8%
Putnam County Highway Dept	\$81.48	\$63.66	21.9%
Scott Co. Highway Dept	\$80.67	\$59.34	26.4%
Harrison County Highway Department	\$80.24	\$59.34	26.0%

The road salt cooperative purchasing project is part of Governor Mitch Daniels' *OneIndiana* initiative. Launched in 2005 and expanded to include local purchases whenever possible, the Operating with New Efficiency (ONE) Indiana initiative is designed to leverage the state's aggregate purchasing power, increasing procurement efficiency and saving Indiana taxpayers millions of dollars.

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About IDOA: The Indiana Department of Administration (IDOA) provides support services to state agencies. IDOA centrally manages activities related to state purchasing, property management, the vehicle fleet, state travel, real estate leases and surplus property dispositions, among others. Through its operation, IDOA helps to ensure the smooth function of state government, finding efficient, effective solutions to state government needs.