

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL MEETING**  
**SEPTEMBER 16, 2014 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Bid: Purchase of Road Salt from State Contract	Resolution Ordinance ✓ Motion Discussion Only	Nan Newlon, P.E. Director of Public Works

**SYNOPSIS**

A motion is requested for the purchase of bulk road salt from Cargill Incorporated Salt Division of North Olmsted, Ohio for snow and ice control via the State of Illinois contract at a cost of \$58.12 per ton and a not-to-exceed cost of \$351,509.76.

**STRATEGIC PLAN ALIGNMENT**

The Goals for 2011 to 2018 include *Exceptional Municipal Services*.

**FISCAL IMPACT**

Approval of this motion authorizes staff to purchase 6,048 tons of salt at a cost of \$351,509.76. The severe winter of 2013/2014 exhausted the budget for salt purchases and a budget amendment will be necessary. Staff will include additional funding for salt in the FY15 Proposed Budget for the winter of 2014/2015.

**RECOMMENDATION**

Approval on the October 7, 2014 consent agenda.

**BACKGROUND**

On March 18, 2014, Village Council authorized renewal of a joint purchase agreement with the State of Illinois for the purchase of salt. This State contract combines the needs of hundreds of governmental entities across Illinois into a single bid document in an effort to consolidate buying power. The State has completed the renewal process for salt procurement and has presented this contract for the Village's approval including a price of \$58.12 per ton which is 5% higher than last snow season.

On July 1, 2014, Village Council approved a contract for the purchase of bulk rock salt with Morton Salt through a bid process coordinated by DuPage County. This County contract combined the needs of the DuPage County Division of Transportation with 13 DuPage municipalities and all nine township highway departments into a single bid document in an effort to consolidate buying power. The Village agreed to purchase a minimum of 1,600 tons, and a maximum of 2,600 tons of salt. Participating in this contract will provide a secondary source of rock salt for snow and ice control operations. This contract supplements the salt contract with the State of Illinois.

A summary of the Village's rock salt supply plans for 2014/15 is shown in the table below.

Vendor	Price Per Ton	Minimum Amount (Tons)	100% Allocation (Tons)	Maximum Amount (Tons)
Morton Salt, Inc.	\$70.44	1,600	2,000	2,600
Cargill, Inc.	\$58.12	4,032	5,040	6,048
<b>Total</b>		5,632	7,040	8,648

Staff is confident that the amount of salt requested, along with the use of anti-icing agents and the expansion of our salt storage capacity, will provide the material resources necessary to meet the service objectives described in the Village Snow Removal and Ice Control Policy in a cost effective manner.

**ATTACHMENTS**

State of Illinois Joint Salt Purchasing Form



September 1, 2014

Dear Joint Purchasing Participant:

Subject: 2014-2015 Rock Salt, Bulk Contract Information

In completing the 2014 – 2015 Rock Salt season contract re-procurement, the State of Illinois did encounter the types of supply-related issues experienced in previous seasons. We made every effort to secure Road Salt at the best available price for participants in our contract solicitation, and sadly report that the State was not able to obtain an offer for every location within the State's procurement efforts.

We again recommend that participating agencies and governmental entities examine their application rates and roadway priorities in order to minimize next season's maintenance program cost while also ensuring the safety of the public.

In accordance with your response on "Table B: Complete to have the State RENEW for your governmental entity" from the seasonal participation survey, we have secured your revised REQUISITION QUANTITY with the previous season's contract vendor.

<b>Contract: PSD 4017550-01</b>	<b>Term: September 2014 – August 2015</b>
Cargill Incorporated Salt Division	FEIN Number: 41-0177680
24950 Country Club Blvd., # 450	
North Olmsted, OH 44070	
Phone (800) 600-7258	Contact: Government Services

Cargill Salt Division filed for and was approved for the allowable 5.0% Price Escalation.

**Contract Line No:** 120 / **Renewal Price per ton** F.O.B. destination, is \$. 58.12  
Emergency pickup of salt from vendor's warehouse is not made available in this contract.

The additional price per ton to have rock salt delivered in trucks equipped with coal/grain chute openings in the tailgate to permit controlled off-loading of rock salt onto conveyors is \$40.00 per ton. Contact vendor for availability in your area and scheduling deliveries.

**You are responsible for issuing your own purchase order document to the vendor.** Orders may be placed with the vendor via telephone, with a written or fax confirmation to follow immediately. ***You are strongly encouraged to order and store as much salt as possible in order to help prevent potential salt shortages this winter.*** Also, you must place orders in full truckload ( typically 22-25 tons ) delivery quantities or multiples of such.



Your governmental unit is responsible for ensuring that the 80 or 100 percent minimum guaranteed purchase commitment ( as noted on your Requisition ) is met before the end of the winter season, June 30, 2015. The vendor is required to furnish not less than 120-percent ( if needed ) of the contract quantity by March 1, 2015. Your governmental unit is responsible for processing vendor invoices in a timely manner.

Delivery shall be made as soon as possible after vendor receipt of order by phone or mail. The maximum time from receipt of order to the actual delivery for orders placed between December 1, 2014 through April 1, 2015 shall not exceed seven working days, unless as modified in the Order Guidelines herein..

For orders placed between December 1, 2014 and April 1, 2015, if a vendor is unable to make delivery within the order timeline, local governmental units shall have the right to retain \$.20 per ton per working-day as liquidated damages on the undelivered portion of the order. For orders placed prior to 9:00 a.m. on a given day, that day to be considered as the first calendar day of the seven-day delivery period. For an order placed after 9:00 a.m. on a given day, the following day shall be considered as the first calendar day of the seven day delivery period.

CMS reserves the right to mitigate application of liquidated damages imposed against a vendor, in the event of orders exceeding the maximum percentages outlined below:

An agency may order up to 20.% of their awarded contract tonnage in any given week and vendor shall deliver within 7 working-days after receipt of order. Quantity ordered above the 20.% threshold shall have an extended deliver time of one-working-day for each one-percentage-point above the 20.% guideline. For example, if an agency orders 25.% of their awarded total 100 ton, delivery of the first 20 ton ( 20.% ) shall be within 7 working-days after receipt of order, the remaining 5 ton should be delivered within 12 working-days after receipt of order.

If after seven working-days of liquidated damages assessment, the vendor has still failed to deliver, local governmental unit shall have the right to terminate an order and purchase road salt or abrasives from another source, or take action consistent with public safety as needed to continue daily business. Any and all additional costs incurred may be collected from the original vendor, in addition to liquidated damages, by participant's legal action.

All deliveries shall be covered with approved weatherproof materials. The vendor shall ensure that delivery person inspects the inside of the trailer and that all salt is removed from the trailer before leaving a delivery point. The vendor will ensure all weights and measures shown on delivery tickets are correct. Local governmental units reserve the right to require that delivery trucks occasionally be directed to a scale in the vicinity of the delivery point as a check on delivered truckloads.



Deliveries of rock salt containing any foreign material such as mud, rocks, grader teeth, wood, tarpaulins, etc., may be rejected at the delivery site. In the event that any foreign material is discovered in dumped deliveries, the salt and foreign matter may be reloaded onto the cartage hauler's truck by the local governmental unit and returned for credit, or the vendor shall immediately ship a specification compliant load of replacement salt, or issue a refund to the governmental unit consistent with the contract price.

In December 2014, the contract vendor shall have in place stockpile(s) located in or near Illinois covering the tonnage awarded for the northern regions of the State, and in January of 2015 the contract vendor shall have in place stockpile(s) in or near to Illinois covering the total tonnage awarded for all regions of the State. At our discretion, we will inspect the stockpiles to ensure that these stockpiles are in sufficient quantities, and that vendor commitments to the stockpiles are with the users of this contract.

Enhanced rock salt 2014 - 2015 season availability from Cargill Salt Division:

The Department of Central Management Services surveyed vendors for availability of an enhanced rock salt option in the invitation for bid, and received an offering from Cargill Salt Division. Locations interested in this enhanced salt option must call the vendor for product availability information and to facilitate potential ordering arrangements.

Their product is made available to any joint purchasing participant awarded in the Cargill Salt Division Contract as an up-charge per ton option and would be added to your order as a separate line item. Contact Jason Fenske Pone: 612-817-7357 for availability details.

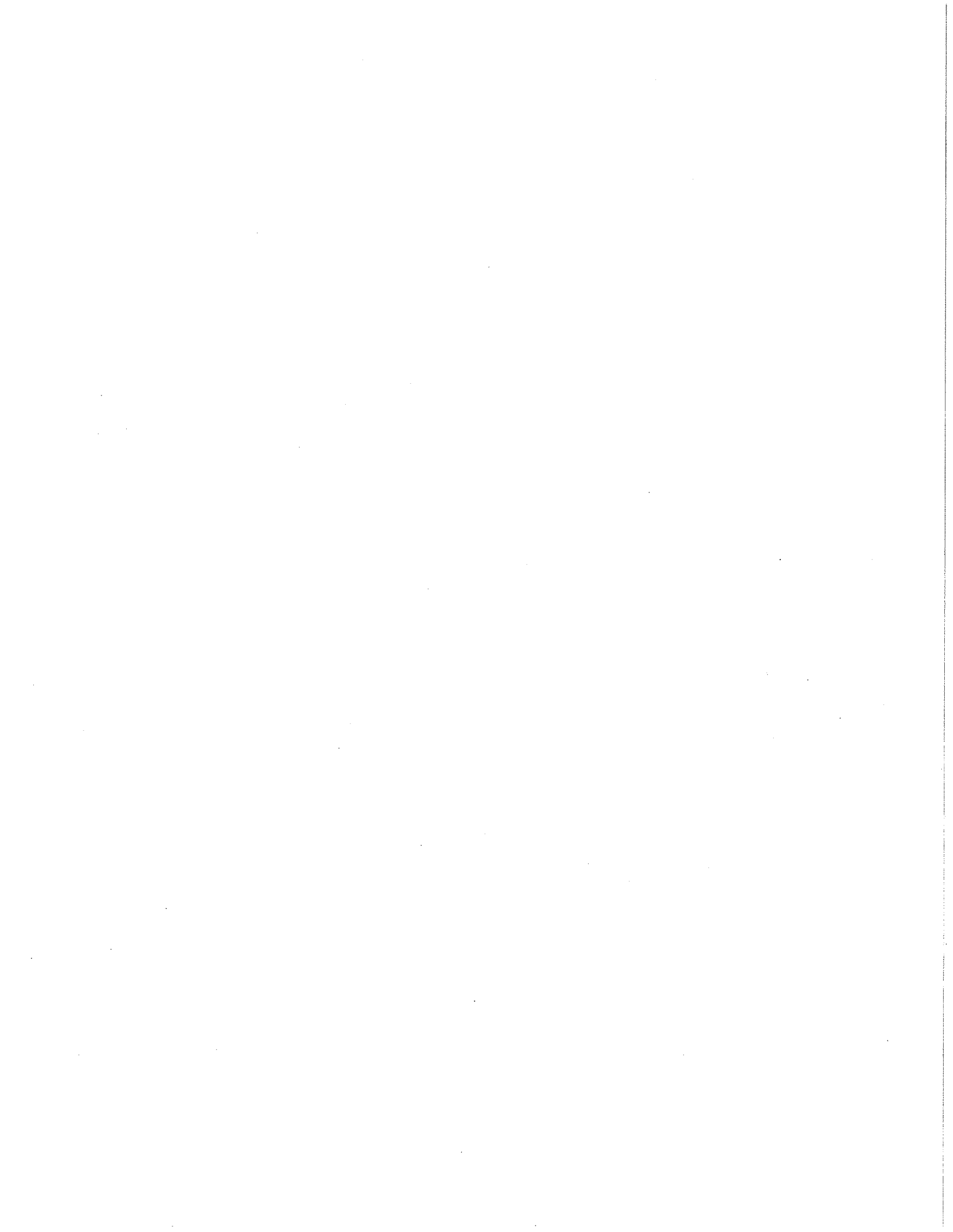
The enhanced salt product features additional pre-treatment of approved road salt with a product providing enhanced melting performance, with reduced corrosion and clumping.

It is hoped that this information will be beneficial to you in the utilization of this contract. If you have any further questions concerning the rock salt contract, please feel free to contact me at (217) 782-8091.

Sincerely,

Wayne Ilsley, CBBP, Buyer  
Bureau of Strategic Sourcing

GovSalt.doc





# ILLINOIS

## JOINT PURCHASING REQUISITION

**PLEASE RETURN TO:**

Illinois Department of  
 Central Management Services  
 801 Wm. G. Stratton Building  
 401 S. Spring Street  
 Springfield, IL 62706  
 Fax: (217) 782-5187

         No Thank You,  
 But keep on mailing list.

**Opt-Out->** Our unit does not want to participate in the CY 2014-2015 Contract Re-procurement.  
**Notice->** Please complete and return the Contact information below to remain on the mailing list.

Joint Purchasing #:         L1510-1510        

Government Unit:         Village of Downers Grove        

Mailing Address:         801 Burlington Avenue        

City / State / Zip:         Downers Grove, IL 60515        

County:         DuPage        

Contact Person:         Terri Tarka        

Telephone Number:         630-434-5530        

Fax Number:         630-434-5571        

Contact Email:         ttarka@downers.us        

Date:         03 / 21 / 2014        

Delivery Point
( Provide Delivery Details To Contract ) ( Vendor At Time Of Order Placement )
Public Works Facility 5101 Walnut Avenue Downers Grove, IL 60515
<- Please provide Email Address

\*\*\*\*\* Participant, Complete Only One - Either "Table-A" or "Table-B" Below \*\*\*\*\*

Table A: Complete this table to have the State SOLICIT BIDS for your governmental entity			
ITEM DESCRIPTION	QUANTITY	UNIT MEASURE	AMOUNT BUDGETED
<u>AASHTO M143 Road Salt or Equivalent</u>	<u>( Total Tonnage )</u>	<u>( 22 - 25 Ton / Truck )</u>	<u>( Local Governmental Use Only )</u>
Rock Salt, Bulk	_____	Tons	_____

Please note your Purchase Commitment Percentage for total tonnage quantity stated above (choose one):

OPTION 1          80% minimum purchase requirement/120% maximum purchase requirement  
 OPTION 2          100% minimum purchase requirement/120% maximum purchase requirement

\*\*\*\*\* Participant, Complete Only One - Either "Table-A" Above or "Table-B" Below \*\*\*\*\*

Table B: Complete this table to have the State RENEW for your governmental entity (ONLY)			
ITEM DESCRIPTION	QUANTITY	UNIT MEASURE	AMOUNT BUDGETED
<u>AASHTO M143 Road Salt or Equivalent</u>	<u>( Total Tonnage )</u>	<u>( 22 - 25 Ton / Truck )</u>	<u>( Local Governmental Use Only )</u>
Rock Salt, Bulk	<u>        5,040        </u>	Tons	<u>        \$220,000        </u>

**Note:** Renewal is available ONLY under Contracts PSD 4017548, 4017549, 4017550, or 4017551 for the CY' 2013-2014 season. Your quantity may not exceed more than a 20% increase of last season's quantity, and price cannot increase more than 5% of last season's price. Other Terms & Conditions of Contract will remain the same as last year. Check Contract # Below:  
 Note Current Contract Number: PSD 4017548 ( ) or PSD 4017549 ( ) or PSD 4017550 (XXX) or PSD 4017551 ( )

I certify that funds are available for the purchase of the items on this Requisition and that such items are for the sole use of this governmental unit, and not for personal use of any official or individual or re-sale.

In addition, I agree to abide by the Joint Purchasing Procedure established by the Department of Central Management Services.

SIGNATURE OF AUTHORIZED OFFICIAL OR AGENT

Village Manager  
 TITLE

Printed on Recycled Paper

