

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
10/6/2015

SUBJECT:	SUBMITTED BY:
Bid - Purchase of Road Salt from State Contract	Nan Newlon 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 \$64.24 per ton and a not-to-exceed cost of \$154,176.

STRATEGIC PLAN ALIGNMENT

The Goals for 2015 to 2017 include *Exceptional Municipal Services*.

FISCAL IMPACT

There is \$77,000 in the FY15 General Fund budget and \$220,000 in the proposed FY16 General Fund budget for salt.

RECOMMENDATION

Approval on the October 6, 2015 consent agenda.

BACKGROUND

On March 17, 2015, Village Council authorized 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 bidding process for salt procurement and has presented this contract for the Village's approval including a price of \$64.24 per ton which is 10.5% higher than last snow season.

On April 14, 2015, Village Council approved a contract extension for the purchase of bulk rock salt with Morton Salt through a bid process coordinated by DuPage County. This County contract combines the needs of the DuPage County Division of Transportation with DuPage municipalities and 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 provides a secondary source of rock salt for snow and ice control operations.

A summary of the Village's rock salt supply plans for 2015/16 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.	\$64.24	1,600	2,000	2,400
Total		3,200	4,000	5,000

Staff is confident that the amount of salt requested, along with the use of anti-icing agents and the expanded 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
Historical Road Salt Purchase Information



ILLINOIS

Bruce Rauner, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Tom Tyrrell, Director

August 15, 2015

Dear Joint Purchasing Participant:

Subject: 2015 - 2016 Rock Salt, Bulk Contract Information

In completing the 2015 – 2016 Rock Salt season contract re-procurement, the State of Illinois did not encounter the types of supply-related issues experienced in the previous seasons. We have made every effort to secure Road Salt at the best available price for participants in our contract solicitation, and gladly report the State was able to obtain an offer for your location requirements through 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.

Enclosed is a copy of the requisition you submitted to us for the purchase of rock salt. The information from the requisition, including purchase commitment, can be used to submit your requirements to this year's contract vendor:

Contract: PSD 4018144**Term: August 2015 – August 2016**

Cargill Incorporated Salt Division

FEIN Number: 41-0177680

24950 Country Club Blvd., # 450

North Olmsted, OH 44070

Phone (800) 600-7258

Contact: Government Services

Your unit is **Contract Line No: 120 / Price per ton F.O.B. destination, is \$.** **64.24**
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 was not provided for by this vendor in this season's procurement process.

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.



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Tom Tyrrell, Director

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, 2016. The vendor is required to furnish not less than 120-percent (if needed) of the contract quantity by March 1, 2016. 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, 2015 through April 1, 2016 shall not exceed seven working days, unless as modified in the Order Guidelines herein..

For orders placed between December 1, 2015 and April 1, 2016, if a vendor is unable to make delivery within the order timeline, local governmental units shall have the right to retain as liquidated damages, not as a penalty, 5.% per working-day on the undelivered portion of the order, but not to exceed 50.%. 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.



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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 2015, 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 2016 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 2015 - 2016 season availability:

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 Roger Wilson Pone: 920-889-3583 for salt 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

03/20/2015 15:11 FAX 6304345571

VILLAGE DOWNERS GROVE

002/002



ILLINOIS

JOINT PURCHASING REQUISITION CY'15-'16 New Purchase Commitment

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
 Email Address for submission:
 CMS.BOSS.EC@illinois.gov

No Thank You,
 But keep on mailing list.

Opt-Out-> Our unit does not want to participate in the CY' 2015-2016 Contract 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 / 19 / 2015

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	BID QUANTITY (Total Tonnage)	UNIT MEASURE (22-25 Ton / Truck)
AASHTO M143 Road Salt or Equivalent Rock Salt, Bulk	<u>2,000</u>	Tons

Please note your Purchase Commitment Percentage for Total Tonnage Quantity as stated above (choose one): 120

OPTION 1 XXXX 80% minimum purchase requirement/120% maximum purchase requirement Carroll
 OPTION 2 100% minimum purchase requirement/120% maximum purchase requirement 64.24

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

Table B: Complete this table to have the State "RENEW" Requirements for your governmental entity		
ITEM DESCRIPTION	QUANTITY (Total Tonnage)	UNIT MEASURE (22-25 Ton / Truck)
AASHTO M143 Road Salt or Equivalent Rock Salt, Bulk	<u> </u>	Tons

Note: Renewal is available ONLY under Contracts PSD 4017724, 4017725, or 4017726 for the CY' 2015-2016 season. Your quantity may not exceed more than a 20% increase of last season's quantity, and price cannot increase more than 10% of last season's price. Other Terms & Conditions of Contract will remain the same as last year. Please Check Contract # Below:
 Note Current CMS Contract Number. PSD 4017724 () -or- PSD 4017725 () -or- PSD 4017726 ()

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]
 SIGNATURE OF AUTHORIZED OFFICIAL OR AGENT

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Village Manager
 TITLE

Historical Road Salt and Enhanced ⁵ / Secondary Source Road Salt Purchase (1987-2015)									
Winter Season	Rock Salt Purchased (Tons)	Rock Salt Unit Price	Rock Salt Price Extension	Enhanced/Secondary Source Rock Salt	Enhanced/Secondary Source Rock Salt Unit	Enhanced/Secondary Source Rock Salt	Total Cost	Total Purchased (Tons)	Snow (Inches) ¹
1987/88	6,885.63	\$ 17.09	\$ 117,675.41	0.00	\$ -	\$ -	\$ 117,675.41	6,885.63	43.90
1988/89 ²	7,150.35	\$ 20.72	\$ 155,267.44	0.00	\$ -	\$ -	\$ 155,267.44	7,150.35	34.20
1989/90	5,999.11	\$ 20.89	\$ 125,321.39	0.00	\$ -	\$ -	\$ 125,321.39	5,999.11	30.40
1990/91	5,669.69	\$ 21.22	\$ 120,310.84	0.00	\$ -	\$ -	\$ 120,310.84	5,669.69	26.90
1991/92	3,636.98	\$ 21.72	\$ 78,995.31	0.00	\$ -	\$ -	\$ 78,995.31	3,636.98	24.10
1992/93	4,082.14	\$ 21.72	\$ 88,664.10	0.00	\$ -	\$ -	\$ 88,664.10	4,082.14	48.30
1993/94	5,130.20	\$ 23.60	\$ 121,072.79	0.00	\$ -	\$ -	\$ 121,072.79	5,130.20	41.40
1994/95	3,034.35	\$ 23.35	\$ 70,852.07	0.00	\$ -	\$ -	\$ 70,852.07	3,034.35	17.30
1995/96	2,777.29	\$ 26.60	\$ 73,875.91	0.00	\$ -	\$ -	\$ 73,875.91	2,777.29	29.40
1996/97 ³	4,126.90	\$ 26.94	\$ 110,982.76	0.00	\$ -	\$ -	\$ 110,982.76	4,126.90	39.60
1997/98	4,044.00	\$ 26.76	\$ 108,217.44	0.00	\$ -	\$ -	\$ 108,217.44	4,044.00	34.70
1998/99 ⁴	3,832.81	\$ 26.65	\$ 101,769.81	0.00	\$ -	\$ -	\$ 101,769.81	3,832.81	53.40
1999/2000	4,315.68	\$ 24.56	\$ 105,993.10	0.00	\$ -	\$ -	\$ 105,993.10	4,315.68	30.40
2000/01	6,803.88	\$ 25.21	\$ 171,525.81	0.00	\$ -	\$ -	\$ 171,525.81	6,803.88	41.50
2001/02	4,955.65	\$ 29.44	\$ 145,894.34	0.00	\$ -	\$ -	\$ 145,894.34	4,955.65	32.10
2002/03	4,566.87	\$ 29.16	\$ 133,169.93	68.68	\$ 38.56	\$ 2,648.30	\$ 135,818.23	4,635.55	36.50
2003/04	4,466.63	\$ 29.16	\$ 130,246.93	543.15	\$ 38.56	\$ 20,943.86	\$ 151,190.79	5,009.78	24.20
2004/05	4,637.89	\$ 29.91	\$ 138,719.29	165.00	\$ 39.54	\$ 6,524.10	\$ 145,243.39	4,802.89	34.50
2005/06	3,227.33	\$ 33.23	\$ 107,244.18	0.00	\$ -	\$ -	\$ 107,244.18	3,227.33	26.00
2006/07	4,767.61	\$ 35.21	\$ 167,867.55	0.00	\$ -	\$ -	\$ 167,867.55	4,767.61	35.60
2007/08	6,749.52	\$ 38.62	\$ 260,666.46	0.00	\$ -	\$ -	\$ 260,666.46	6,749.52	60.30
2008/09	6,006.71	\$ 59.25	\$ 355,897.57	0.00	\$ -	\$ -	\$ 355,897.57	6,006.71	52.70
2009/10	4,962.88	\$ 63.24	\$ 313,852.47	0.00	\$ -	\$ -	\$ 313,852.47	4,962.88	54.20
2010/11	4,715.28	\$ 63.24	\$ 298,194.31	0.00	\$ -	\$ -	\$ 298,194.31	4,715.28	57.90
2011/12	5,025.97	\$ 63.24	\$ 317,842.34	0.00	\$ -	\$ -	\$ 317,842.34	5,025.97	19.80
2012/13	5,019.05	\$ 63.24	\$ 317,404.72	0.00	\$ -	\$ -	\$ 317,404.72	5,019.05	30.10
2013/14 ⁶	5,052.30	\$ 55.35	\$ 273,845.30	0.00	\$ -	\$ -	\$ 273,845.30	5,052.30	82.00
2014/15	5,935.68	\$ 58.12	\$ 339,182.21	2,492.67	\$ 70.44	\$ 175,583.67	\$ 514,765.89	8,428.35	50.70
MIN.	2,777.29	17.09	70,852.07	0.00	0.00	0.00	70,852.07	2,777.29	17.30
MAX.	7,150.35	63.24	355,897.57	2,492.67	70.44	20,943.86	514,765.89	8,428.35	82.00
AVG.	4,913.51	34.91	173,233.99	116.77	14.39	15,823.07	180,580.42	5,030.28	39.00
1	Source: Illinois State Water Survey - O'Hare Reporting Station								
2	Includes a \$7,112.15 penalty charge for overage in FY1988/89								
3	Liquidated damages reduced the total purchase by \$195.93 in 1996/97								
4	Liquidated damages reduced the total purchase by \$374.58 in 1998/99								
5	Enhanced road salt is rock salt pre-mixed with liquid magnesium chloride and corrosion inhibitor.								
6	Liquidated damages reduced the total purchase by \$5,799.51 in 2013/14								