

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
3/22/2016

SUBJECT:	SUBMITTED BY:
Authorization to Request Rock Salt Allocation From State of Illinois and DuPage County Contracts	Nan Newlon Director of Public Works

SYNOPSIS

A motion is requested to authorize a rock salt allocation of 2,000 tons each with the State of Illinois and DuPage County in the joint purchase of bulk rock salt for the 2016/2017 season. The Village will be obligated to authorize execution of purchase contracts with these allocations at a future date.

STRATEGIC PLAN ALIGNMENT

The goals for 2011-2018 identified *Exceptional Municipal Services*.

FISCAL IMPACT

The Village's winter snow and ice control operations span two fiscal years. The budget for the 2016/2017 season includes approximately \$286,000, of which \$61,000 is available in the 2016 budget and \$225,000 which is anticipated to be included in the 2017 fiscal year budget. Staff estimates that the total cost of the salt purchase will range from \$232,000 to \$363,000 (using the estimated per ton costs of \$70/ton for the State of Illinois and \$75/ton for DuPage County).

RECOMMENDATION

Approval on the March 22, 2016 consent agenda.

BACKGROUND

The availability and use of bulk rock salt is necessary to meet the snow removal program goal of maintaining safe travel routes during and following snowstorms, as well as restoring mobility for the traveling public within a reasonable time frame following cessation of storm conditions. There are four objectives to achieve when purchasing road salt:

- 1) Maintain the salt supply to respond to all winter weather events per the Village Snow Removal and Ice Control Plan
- 2) Diversify salt supply to ensure on-time delivery
- 3) Minimize cost
- 4) Comply with budget

To best meet these objectives for the 2016/2017, season staff recommends purchasing rock salt through two cooperative purchasing contracts, one with the State of Illinois and the other with DuPage County, as shown in the table below.

Requested Allocation (tons)	Minimum	Allocation	Maximum
State of Illinois Contract	1,600	2,000	2,400
DuPage County Contract	1,600	2,000	2,600
Total Amount	3,200	4,000	5,000

The amount of salt required to be purchased, 3,200 tons, along with the 3,000 tons of salt on hand, would provide the village with 6,200 tons of salt and will allow the Village to continue to meet the service objectives described in the Village Snow Removal and Ice Control Policy in a cost effective manner. The average annual salt usage is about 4,800 tons with a minimum usage of about 2,800 tons and a maximum usage about 7,200 tons. The Village can store 6,700 tons.

Downers Grove received a 2015-2016 unit price under this contract of \$64.24 per ton. Certain contract holders have been offered the ability to renew their contracts in lieu of participating in the 2016-17 bid process. Under the terms of this option the price could be increased by the vendor from 0% up to 10% from last season's price. With this option the Village's price would be not more than \$70.66 per ton. Staff recommends that the Village renew the existing contract in lieu of participating in the new bid with the State for the following reasons.

- The maximum possible price increase of not more than 10% under the renewal option would provide some price certainty in a market that has experienced wide fluctuations.
- The Village's current vendor (Cargill Incorporated) has provided good service and has consistently demonstrated the ability to provide prompt delivery in quantities that are cost-effective for the Village for mixing with anti-icing agents and for storage.
- The last two times that the Village exercised the option of renewing the contract for road salt with Cargill under this state program the price increase was 0% (2013-13), and 5% (2014-15).

The Village has used the State-aggregated bidding process for procuring road salt for many years. Because of issues with the reliability of service deliveries from the State bid contractor in the difficult 2013/14 winter season the Village elected to purchase a portion of its rock salt supply through a DuPage County contract. For the past three seasons the Village has split their salt purchase in this manner and has realized benefits in reliability and the moderation of price changes. DuPage County is in the process of preparing bid documents and is requesting allocation amounts from interested communities. Because of the County's proximity to salt depots, and based on the timing of bidding they anticipate receiving bid prices as favorable or more favorable than those received by the State.

Attachments

DuPage County Municipal Specifications
State Salt Allocation Form 2016-17

SPECIFICATIONS AND PRICING

This bid is to furnish and deliver bulk rock salt for snow and ice control, in accordance with the AASHTO Specification M143, Sodium Chloride Type 1, Grade 1. Bulk rock salt shall be 95 to 98 percent pure sodium chloride. Maximum moisture content shall be no more than two and a half percent (2.5%).

Bulk rock salt not meeting the standards listed in these Specifications shall be subject to rejection by DuPage County.

BID AWARD CRITERIA:

DuPage County reserves the right to award a contract(s) to the lowest responsive, responsible bidder(s) by lump sum bid, by group 1A and/or 1B, whichever is in the best interest of DuPage County. DuPage County will only consider unit pricing in the 130%-150% range, in the event of a tie. Group 2 will be awarded by each individual township/municipality.

COUNTY AUTHORIZED REPRESENTATIVE:

The County authorized representative for this bid is Darcie Garza, CPPB, reachable at 630-407-6920 or her authorized designee.

DELIVERY REQUIREMENTS:

Orders are generally expected to be received within three (3) working days from date of order.

Normal deliveries shall be made between the hours of 6:00 a.m. and 2:30 p.m., Monday through Friday. Arrangements can be made for after hours and weekend deliveries to maintain a prompt order delivery schedule.

All order releases shall be delivered to completion, unless mutually agreed upon by the County of DuPage and the awarded Contractor.

All salt deliveries shall be made with trucks equipped with tailgate dump trailers.

All trucks shall be covered with approved waterproof material. The contractor will ensure that upon delivery, the driver shall inspect the inside of the trailer and will confirm that all salt has been removed from the trailer before leaving the point of delivery. The contractor shall ensure that all weights and measures shown on the delivery tickets are correct. DuPage County Division of Transportation reserves the right to require that delivery trucks be directed to a scale in the vicinity to check the accuracy of loads being delivered.

The actual tonnage delivered by the Contractor shall be within 20 (twenty) tons of the requested tonnage for each order.

The Contractor shall notify the Division of Transportation and any participating municipality of the trucking firm that will be delivering the salt, as well as a contact name, address and phone number of said trucking firm. The Contractor shall supply the same information for the terminal location, as well. Ultimately, all delivery responsibility will fall upon the Awarded Contractor. It will be their responsibility to accept order releases and communicate order information to the designated trucking firms and terminals.

Deliveries of rock salt will be required to be free of any foreign materials (i.e. mud, rocks, wood, tarpaulins, etc.). Cause for rejection and removal shall be made known within two (2) working days to the Contractor. Loads contaminated with foreign material will be replaced at the Contractor's expense within five (5) working days.

All salt is to be lump free. No salt with lumps larger than two (2) inches in diameter will be accepted. Loads with lumps larger than two (2) inches shall be replaced at the Contractor's expense within five (5) working days.

INVOICING:

Original invoices must be presented for payment in accordance with instructions contained on the Purchase Order including reference to Purchase Order number and submitted to the correct address for processing. The County shall pay all invoices pursuant to 50 ILCS 505, "Local Government Prompt Payment Act". Payment will not be made on invoices submitted later than six-months (180 days) after delivery of goods and any statute of limitations to the contrary is hereby waived.

LIQUIDATED DAMAGES:

From December 1, 2016 through April 30, 2017, if the Contractor is unable to make delivery within seven (7) calendar days from the date of order, DuPage County shall have the right to retain \$.20 per ton, per calendar day as liquidated damages on the undelivered portion of the order. An order placed prior to 12:00 noon on any business day (Monday through Friday, except Holidays) would be considered as the first calendar day of the seven (7) day delivery period. For orders placed after 12:00 noon on a given day, the following day would be considered the first calendar day of the seven (7) day delivery period. If after seven (7) days of liquidated damage assessment, the Contractor has still failed to deliver as required, DuPage County shall reserve the right to take action to remedy the failure of Contractor performance without prior notification of such failure. This may include termination of the order and purchase of salt from other sources, or to take action consistent with public safety as needed to continue business. Any or all additional costs may be collected from the Contractor, in addition to any liquidated damage.

ORDERING:

Group 1 - DuPage County will place a minimum of 1000 tons at a given time. All individual releases will be placed with the terminal.

Group 2 - 1000 ton minimum will be waived. All individual releases will be placed with the terminal.

Orders for tonnage will be placed with the successful qualified bidder beginning June 1, 2016. All salt will be delivered by May 31, 2017. No further orders will be given after that date unless authorized by the County Authorized Representative or designee. Contract renewals will incorporate similar timelines for consecutive years.

QUANTITIES:

DuPage County Division of Transportation has included a quantity which is an estimate only, for Standard Delivery. Bidders are to provide a unit price for 80% to 130% of this additional estimated quantity (**STANDARD DELIVERY**). DuPage County Division of Transportation agrees to purchase at least 80% of the quantity shown. If DuPage County does not utilize or order the 80%, DuPage County will pay for the 80% and it will be stored at the terminal, for delivery to the County at a later date. This will be handled at no additional charge to the County.

The Townships/Municipalities (Group 2) intend to make initial orders as indicated under Group 2 with delivery expected by 11/30/16. Bidders are required to provide a unit price for this 100% guaranteed delivery. (**EARLY DELIVERY**). The Townships/Municipalities section has included an additional quantity which is an estimate only. Bidders are to provide a unit price for 80% to 130% of this additional estimated quantity (**STANDARD DELIVERY**). The Townships/Municipalities agree to purchase at least 80% of the quantity shown. If the Townships/Municipalities do not utilize or order the 80%, the Townships/Municipalities will pay for the 80% and it will be stored at the terminal, for delivery to the Townships/Municipalities at a later date. This will be handled at no additional charge to the Townships/Municipalities.

THIRD PARTY OR ACTING IN THE BEST INTEREST OF THE CITIZENS OF DUPAGE COUNTY:

In cases where other governmental agencies in DuPage County are unable to obtain bulk rock salt, DuPage County Division of Transportation reserves the rights and obligation to sell salt or give salt (to be reimbursed at a later date) to governmental agencies without any recourse from the Awarded Contractor. This will be done at the contracted cost given to DuPage County Division of Transportation by the Awarded Contractor and at no time shall a profit be made by DuPage County Division of Transportation.

STOCKING REQUIREMENTS:

Within thirty (30) days of the notice of award (issuance of purchase order) the Contractor will be required to provide DuPage County with their salt source and local terminal information. One hundred thirty percent (130%) of the standard delivery quantity listed will be required to be in stock at a local terminal by December 1, 2016. This requirement shall be fulfilled each December 1st, with each contract renewal. DuPage County reserves the right to inspect the awarded Contractor's local terminal to verify for quantity and condition of salt, as required in the Specifications.

PRICING:

The Contractor is to provide a unit price per ton. DuPage County will require a 5% bid security to be submitted with the bid, The Awarded Contractor will also be required to furnish a 20% Performance Bond and Certificate of Insurance, within 10 days of the Notice of Award (as outlined in the Special Conditions). Similar conditions will apply to Group 2.

GROUP 1 – DUPAGE COUNTY

All Product to be shipped F.O.B. Delivered, freight prepaid, 140 N. County Farm Road, Wheaton, IL 60187 or 7900 S. Rt. 53, Woodridge, IL 60517.

A – EARLY DELIVERY – 100% Confirmed quantities. Delivery by November 30, 2016

DESCRIPTION	QUANTITY	UNIT PRICE (PER TON)	EXTENDED PRICE
BULK ROCK SALT	NONE	\$ /TON	\$
TOTAL GROUP 1 –A			\$

B – STANDARD DELIVERY – Bidders are required to provide a unit price for 80% to 130% of the estimated quantity. The DuPage County Division of Transportation agrees to purchase at least 80% of the quantity shown. If DuPage County does not utilize or order the 80%, DuPage County will pay for the 80% and it will be stored at the terminal, for delivery to the County at a later date. This will be handled at no additional charge to the County.

DESCRIPTION	QUANTITY	UNIT PRICE (PER TON)	EXTENDED PRICE
BULK ROCK SALT	TONS	\$ /TON	\$
TOTAL GROUP 1 –B			\$

UNIT COST PER TON FOR QUANTITIES BETWEEN 130% AND 150% OF PROJECTED USAGE
 \$ _____ PER TON

TOTAL GROUP 1 A	\$
TOTAL GROUP 1 B	\$
TOTAL GROUP 1 (LUMP SUM BID)	\$

SHIPPING AND BILLING INFORMATION:

BILL TO ADDRESS:	SHIP TO ADDRESS:
DuPage County Division of Transportation Attn: Kathy Black 180 North County Farm Road Wheaton, IL 60187 TX: (630) 407-6930 FX: (630) 407-6962	DuPage County Division of Transportation Attn: Darcie Garza 140 North County Farm Road Wheaton, IL 60187 TX: (630) 407-6920 FX: (630) 407-6921
Same	DuPage County Public Works Attn: Darcie Garza 7900 S. Rt. 53 Woodridge, IL 60517

	TX: (630) 407-6920 FX: (630) 407-6921
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GROUP 2 – TOWNSHIPS/MUNICIPALITIES

All Product to be shipped F.O.B. Delivered, freight prepaid, to the locations listed. Each Township/Municipality will make an independent determination on whether it will enter into this agreement with the Awarded Contractor.

A – EARLY DELIVERY – 100% Confirmed quantities. Delivery by November 30, 2016

DESCRIPTION	QUANTITY	UNIT PRICE (PER TON)	EXTENDED PRICE
BULK ROCK SALT		\$ /TON	\$
TOTAL GROUP 2 –A			\$

B – STANDARD DELIVERY – Bidders are required to provide a unit price for 80% to 130% of the estimated quantity. If the Township/Municipality agrees to enter into an agreement with the Awarded Contractor, the Township/Municipality agrees to purchase at least 80% of the quantity shown. If the Township/ Municipality does not utilize or order the 80%, the Township/ Municipality will pay for the 80% and it will be stored at the terminal, for delivery to the Township/ Municipality at a later date. This will be handled at no additional charge to the Contracting Township/Municipality.

DESCRIPTION	QUANTITY	UNIT PRICE (PER TON)	EXTENDED PRICE
BULK ROCK SALT	TONS	\$ /TON	\$
TOTAL GROUP 2 –B			\$

UNIT COST PER TON FOR QUANTITIES BETWEEN 130% AND 150% OF PROJECTED USAGE
\$ _____ PER TON

