

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
11/1/2016

SUBJECT:	SUBMITTED BY:
Award of Contract to Purchase Road Salt from State of Illinois Contract	Nan Newlon Director of Public Works

SYNOPSIS

A motion is requested for the following purchases totaling \$162,176:

- 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 \$122,056.
- ClearLane® Enhanced Deicing Salt from Cargill Incorporated Salt Division of North Olmsted, Ohio as a sole source supplier at a contract cost of \$80.24 per ton and a not-to-exceed cost of \$40,120.

STRATEGIC PLAN ALIGNMENT

The goals for 2015-2017 include *Exceptional Municipal Services*.

FISCAL IMPACT

The FY16 Budget includes \$225,000 in the General Fund, and the Proposed FY17 Budget includes \$210,000 in the General Fund (5-21, line 2) for these purchases.

RECOMMENDATION

Approval on the November 1, 2016 consent agenda.

BACKGROUND

On March 22, 2016, Village Council authorized joint purchase agreements with both the State of Illinois and DuPage County for the purchase of salt. These two contracts combine the needs of multiple governmental entities across the county and state into single bid documents in an effort to consolidate buying power. DuPage County issued a call for bids in April and the low bid was submitted by Compass Minerals at a contract cost of \$56.35 per ton. The Village Council approved a contract with Compass Minerals for 2,600 tons of road salt in the amount of \$146,510 on May 17, 2016.

The Village was one of several contract holders under the State of Illinois bid that had the ability to renew their contracts in lieu of participating in a new 2016-17 call for bids. Under the terms of the contract renewal, the price could have increased from up to 10% over last season's price. With this option, the Village's price could not have been more than \$70.66 per ton. The State has completed the renewal process for salt procurement and the Village has received a contract unit price of \$64.24 per ton which is the same price as last year.

This purchase recommendation from Cargill Inc. includes 500 tons of Cargill's ClearLane®, a proprietary, pre-treated enhanced deicing salt. Each year as part of the State's bidding process, vendors are surveyed for availability of an enhanced rock salt option. Cargill's ClearLane® salt is available to any joint purchasing participant awarded in the Cargill contract as an upcharge per ton option and is added as a separate line item. The enhanced salt features pre-treatment direct from the vendor with a product that provides enhanced melting performance with reduced corrosion and clumping. The per ton unit cost to purchase pre-treated salt directly from Cargill is comparable to the Village pre-treating the salt stockpile on-site, is more efficient, and is expected to result in a better quality product. Staff plans to dedicate the use of ClearLane® to a defined snow route this winter to observe its performance.

A summary of the Village's rock salt supply plans for 2016/17 is shown in the table below.

Vendor	Price Per Ton	Minimum Amount (Tons)	100% Allocation (Tons)	Maximum Amount (Tons)
Compass Minerals	\$56.35	1,600	2,000	2,600
Cargill Inc.	\$64.24, \$80.24 (ClearLane®)	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 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



ILLINOIS

JOINT PURCHASING REQUISITION CY'16-'17 New Purchase Commitment

PLEASE RETURN TO:

Illinois Department of
Central Management Services
801 Win. 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' 2016-2017 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

Country: DuPage

Contact Person: Terri Tarka

Telephone Number: 630-434-5530

Fax Number: 630-434-5571

Contact Email: ttarka@downers.us

Date: 03 / 24 / 2016

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	_____	Tons

Please note your Purchase Commitment Percentage for Total Tonnage Quantity as stated above (choose one):
 OPTION 1 / 80% minimum purchase requirement / 20% maximum purchase requirement
 OPTION 2 / 100% minimum purchase requirement / 20% 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" 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 *120	<u>2,000</u>	Tons <u>64.24</u>

Note: Renewal is available ONLY under Contracts PSD 4018143, 4018144, 4018145, and 4018146 for CY' 2015-2016. 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: PSD 4018143 () -or- PSD 4018144 (XXX) -or- PSD 4018145 () -or- PSD 4018146 ()

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.

Terri Tarka
SIGNATURE OF AUTHORIZED OFFICIAL OR AGENT

Village Manager
TITLE

Printed on Recycled Paper



ILLINOIS

Bruce Rauner, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Michael M. Hoffman, Acting Director

August 15, 2016

Dear Joint Purchasing Participant:

Subject: 2016-2017 Rock Salt, Bulk Contract Information

In completing the 2016 – 2017 Rock Salt season contract re-procurement, the State of Illinois did not encounter the types of supply-related issues experienced in 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 that the State was able to obtain an offer for your location requirements through the State's procurement efforts.

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.

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 4018144-01
Cargill Incorporated Salt Division
24950 Country Club Blvd., # 450
North Olmsted, OH 44070
Phone (800) 600-7258

Term: September 2016 – August 2017
FEIN Number: 41-0177680
Contact: Government Services

Your unit is **Contract Line No: _____ / Price per ton F.O.B. destination, is \$.**
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.



ILLINOIS

Bruce Rauner, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Michael M. Hoffman, Acting 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, 2017. The vendor is required to furnish not less than 120 percent (if needed) of the contract quantity by March 1, 2017. 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, 2016 through April 1, 2017 shall not exceed seven working days, unless as modified in the Order Guidelines herein..

For orders placed between December 1, 2016 and April 1, 2017, 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.



ILLINOIS

Bruce Rauner, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Michael M. Hoffman, Acting Director

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 2016, 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 2017 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 2016 - 2017 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 North American Salt Company. Locations interested in this enhanced salt option must call the vendor for 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 Stacy Bruzda at 800-600-7258 for the 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, CPPB, Buyer
Bureau of Strategic Sourcing

GovSalt.doc



Deicing Technology Business
 24950 Country Club Blvd, Suite 450
 North Olmsted, OH 44070

September 15, 2016

VILLAGE OF DOWNERS GROVE
 5101 WALNUT AVE
 DOWNERS GROVE, IL 60515-4046
 Attn: Ray Semplinski

***** OPTIONAL CLEARLANE® ENHANCED DEICING SALT *****

As you may be aware, Cargill® Deicing Technology (CDT) was recently named the awarded vendor for VILLAGE OF DOWNERS GROVE's business on the IL CMS contract for bulk rock salt. I have met with several municipalities, and there is interest in obtaining a trial of ClearLane® enhanced deicer during the upcoming winter season. Others have used ClearLane® last winter and wish to order this product again this winter.

THIS FORM DOES NOT OBLIGATE YOU to purchase ClearLane® enhanced deicer. By signing and returning this document, you only acknowledge the price, and we know you have interest and can prepare for any order received during the winter season. The purchase of ClearLane® enhanced deicer will count toward the min/max of your tonnage listed for 2016/2017. We ask that you complete this form and return via FAX to (952) 249-4003 or email to roger_wilson@cargill.com and afterwards retain the document for your records. Thank you in advance for your prompt reply.

CMS Stated Estimate for 2016/2017: 2,000 tons

Of this estimate, how many tons do you anticipate ordering as: _____ White Salt (\$64.24/ton delivered)
 _____ Treated Salt* – ClearLane® (\$80.24/ton delivered)
 * Subject to availability at time of order

Billing Information			Shipping Information	
Address				
If PO Box, also supply physical address				
City State Zip				
Contact Name				
Email				
Phone		Fax	Phone	
Preferred method of Invoicing (circle one): FAX / Mail / Email			Delivery Hours	

Under this agreement, it is understood that all participating parties agree to the following:

- 1) The terms and conditions outlined in the 2016/2017 CMS contract govern this transaction.
- 2) Guaranteed minimums and maximums can be satisfied by ordering or supplying ClearLane® enhanced deicer or white salt.

If you have any questions about ClearLane® enhanced deicer or require any additional information, please contact me directly.

Sincerely,

Roger Wilson
 Western Territory Manager
 roger_wilson@cargill.com
 Ph: 920-889-3583

Signature: _____

Title: _____

Date: _____

ORDERS CAN BE PLACED BY... CALLING (800) 600-7258
FOR ACCOUNT SPECIFIC QUESTIONS/CONCERNS... CALL STACEY BRUZDA (440) 716-4704
FOR SALES SUPPORT... CALL ROGER WILSON (920) 889-3583

REMOVE THE ICE WHILE KEEPING YOUR BUDGET SAFELY INTACT.

It's common knowledge that pre-wetted deicers are proven to be the best and most practical defense against roadway ice and snow. What's not so widely known is that Clearlane® enhanced deicer is among the most economical options for combating ice and snow – even when compared to basic rock salt.

The Clearlane® product is a pre-wetted salt that's formulated to combat the three most pressing problems facing snow and ice fighters – icy roads, high product costs and equipment corrosion.

THE CLEARLANE® TECHNOLOGY'S PATENTED* FORMULATION ENTAILS:

- ASTM grade rock salt
- Liquid magnesium chloride
- PMS approved corrosion inhibitor
- Coloring agent
- Leaching inhibitor

NEW FORMULATION. SAME PERFORMANCE. SAFER FOR THE ENVIRONMENT.

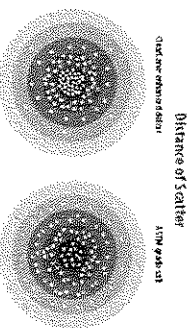
The newly formulated Clearlane® enhanced deicer carries the distinguished Design for the Environment (DfE) label granted by the U.S. Environmental Protection Agency (EPA). This distinction is only allotted to products deemed safer when compared to other chemicals in their class.

As a Clearlane® enhanced deicer consumer you have come to depend on the significant advantages this product offers when compared to regular rock salt. The first and foremost of these is safer roads – but the benefits go well beyond safety. The Clearlane® product can also improve your bottom line by reducing product usage, labor and equipment costs, and reducing environmental impact – now more than ever before.

This new formulation offers you access to the same effective product while utilizing safer chemical ingredients that are more environmentally friendly.

IT IS ROCK SALT MADE BETTER.

Tests prove and real world performance shows that Clearlane® enhanced deicer scatters less than plain rock salt. And when more of your deicing product stays in place, you're able to make roadways safer, stretch budgets farther, and impact ecosystems less. You can accomplish all of this without buying a single pile of new equipment or adding labor. The only thing that's required is to switch from traditional rock salt to Clearlane® enhanced deicer. It works better so you don't have to work harder.



Distance of Scatter
Clearlane enhanced deicer
100% rock salt

* U.S. Pat. Nos. 7,369,461; 7,007,340; other patents pending



INCREASED SAFETY IS REASON ENOUGH. BUT IT'S NOT ALL.

Clearlane® enhanced deicer offers users significant advantages when compared to regular rock salt which include REDUCED COST PER LANE MILE -- Proven to achieve 30% less road scatter versus regular deicing salt requires no need for mixing equipment and helps reduce labor costs and fuel consumption.

BETTER PRODUCT COMPOSITION – Fewer lumps and crusts, and no clogging at the spreader.

LOWER ENVIRONMENTAL IMPACT – Customers find they can reduce product usage 20-40% when compared to bulk deicing salt.

LESS EQUIPMENT CORROSION – PMS-approved inhibitor proven to be three times less corrosive than regular rock salt.

INCREASED OPERATIONAL EFFECTIVENESS – Effective melting at temperatures when rock salt becomes ineffective, uniform mixture for uniform performance, non-leaching formulation, greater residual effects and green coloring for easier identification on roadways.

MANUFACTURER'S RECOMMENDATIONS

- Clearlane® enhanced deicer is a non-leaching product. The liquid treatment used is water soluble and therefore should be kept under covered storage.
- Blending salt or sand to the product will reduce its effectiveness against scatter.
- Providing superior snow-fighting and effective winter maintenance services requires great expertise and the ability to identify effective application methods. Customers who use this product find they can use between 20-40% less product when compared to rock salt. For best results, use straight Clearlane® enhanced deicer at application rates that show the most effective performance.
- This product is intended for bulk deicing use only. It should not be packaged for any purpose, including for re-sale.

Clearlane® enhanced deicer

Component	Typical	Minimum	Maximum
Sulfur Dioxide	92.6%	91.5%	92.4%
Sulfur Moisture	2.6%	2.5%	3.2%
Water Insolubles	0.4%	0.07%	1.0%
Chloride	0.8%	0.7%	1.1%
Sulfate	1.5%	0.7%	2.5%
Magnesium	0.38%	0.2%	0.55%
Copper			≤ 0.1
Heavy Metals			≤ 4
MgO	1.8%	0.9%	1.4%
Sodium Silicate	0.013%	0.005%	0.048%
Zinc Oxide	0.012%	0.002%	0.016%
Approved for Use 1			
FFC Yellow 5 salt			
FFC Red 40	20 ppm	15 ppm	40 ppm

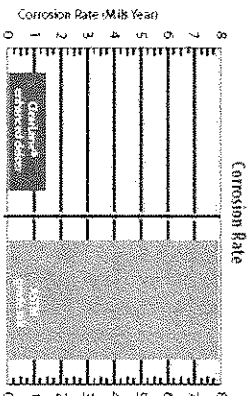


Providing customers with deicing solutions that save time, enhance convenience and reduce environmental impact.



PUT A FREEZE ON CORROSION.

Ice isn't the only thing a deicer attacks. Rock salt can cause corrosion to your equipment. Clearlane® enhanced deicer helps mitigate this effect using a corrosion inhibitor in its formulation. In fact, tests demonstrate that Clearlane® is approximately 84% less corrosive than ASTM grade salt that is pre-wetted with urine.



Test show that Clearlane enhanced deicer significantly decreases the amount of corrosion that might result, helping to extend the life of your equipment.

