

VILLAGE OF DOWNERS GROVE
Report for the Village
11/13/2018

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 to purchase 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 \$48.158 per ton and a not-to-exceed cost of \$97,548.84.

STRATEGIC PLAN ALIGNMENT

The goals for 2017 to 2019 include *Exceptional Municipal Services*.

FISCAL IMPACT

The FY18 Budget and Proposed FY19 Budget includes a total of \$435,000 for the purchase of rock salt: \$210,000 in the General Fund (Page 4-3, Line 16) in the FY18 Budget and \$225,000 in the General Fund (Page 4-3, Line 16) in the Proposed FY19 Budget for the purchase of rock salt. Council previously approved a salt purchase of up to \$268,600 through a DuPage County contract.

RECOMMENDATION

Approval on the November 13, 2018 consent agenda.

BACKGROUND

On March 13, 2018, 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 the Detroit Salt Company at a contract cost of \$67.15 per ton. The Village Council approved a contract with the Detroit Salt Company for 4,000 tons of road salt in the amount of \$268,600 at their meeting on June 12, 2018. This contract reflects a 30% increase in the unit price of salt over last year's DuPage County contract.

The Village will be realizing a 10% increase in the unit price of salt under the State of Illinois 2018-19 joint purchasing contract. Last season's unit price for salt through this program was \$43.78 per ton, and this year's price is \$48.158 per ton. Cargill, Inc. was the supplier under the state contract for 2018.

A summary of the Village's rock salt supply plans for 2018/19 is shown in the table below.

Vendor	Price Per Ton	Minimum Amount (Tons)	100% Allocation (Tons)	Maximum Amount (Tons)
Cargill, Inc.	\$48.158	1,350	1,688	2,026
Detroit Salt	\$67.15		4,000	
Total		5,350	5,688	6,026

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'18-'19 New Purchase Commitment

PLEASE RETURN TO:
Illinois Department of
Central Management Services
801 Wm. G. Stratton Building
401 S. Spring Street
Springfield, IL 62706

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' 2018-2019 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: ⁰⁵ DuPage
Contact Person: Terri Tarka
Telephone Number: 630-434-5530
Fax Number: 630-434-5571
Contact Email: ttarka@downers.us

Date: 03 / 15 / 2018

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)
Rock Salt, Bulk	<u> </u>	Tons
Please note your Purchase Commitment Percentage for Total Tonnage Quantity as stated above (choose one): OPTION 1 <u> </u> 80% minimum purchase requirement/120% maximum purchase requirement OPTION 2 <u> </u> 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" Requirements for your governmental entity		
ITEM DESCRIPTION	✓ QUANTITY ✓ (Total Tonnage)	UNIT MEASURE (22 - 25 Ton / Truck)
Rock Salt, Bulk	<u> 1,688 </u>	Tons <u> 48.158 </u>
Note: Renewal is available ONLY under Contracts PSD 4018455, 4018456, and 4018457 for prior CY' 2017-2018. 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 Your Current CMS Contract: PSD 4018455 () -or- PSD 4018456 () -or- PSD 4018457 (XXX)		

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
Printed on Recycled Paper

 Village Manager
TITLE

119-15



ILLINOIS

Bruce Rauner, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Tim McDevitt, Acting Director

October 1, 2019

Dear Joint Purchasing Participant:

Subject: 2018 - 2019 Rock Salt, Bulk Contract Information

In completing the 2018 – 2019 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 and its 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 the purchase commitment, can be used to submit your requirements to this year's contract vendor:

CMS Contract: PSD 4018457**BidBuy PO# 18-416CMS-BOSS4-P-402**

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

Term: October 2018 – September 2019
FEIN Number: 41-0177680

Contact: Government Services

Your unit is **CMS Contract Line#:** 119 **BidBuy PO Item#** 15 Your **Revised Renewal Price per ton F.O.B. destination**, is **\$ 4 8 . 1 6**

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.

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, 2019. The vendor is required to furnish not less than 120 percent (if needed) of the contract quantity by March 1, 2019. 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, 2018 through April 1, 2019 shall not exceed seven working days, unless as modified in the Order Guidelines herein.

For orders placed between December 1, 2018 and April 1, 2019, 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.

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 2018, 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 2019 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 2018 - 2019 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

Joint Purchasing Participant.

BidBuy is the new procurement system implemented by the State Of Illinois, in which this Master Blanket Purchase Order (Master Contract) was re-established.

As a municipality, you do not need to register in BidBuy. To access master contracts you only need to follow the steps outlined in the following document.

Locating State Wide Master Contracts (without registration in BidBuy)
(To begin you just click on the 'Contract & Bid Search' as shown below.)

Screen	Task
To BidBuy Homepage	 https://www.bidbuy.illinois.gov/bsa/
BidBuy Homepage	 Click Contract & Bid Search at bottom of screen
Advanced Search	 Select radio dial next to Contracts/Blankets
Advanced Search	 Enter Search Criteria or enter nothing to receive all contracts  Click Find It
Advanced Search	 Click on Contract/Blanket# (underlined) to show contract information
Master Blanket Purchase Order Under Header Information	Verify Field " Master Contract? " = Yes  Click on Copy of contract (underlined) next to Agency Attachment field to download contract document
To Exit	In BidBuy  Click Exit at bottom of screen
Advanced Search	 Click Exit at bottom of screen to return to BidBuy homepage