# VILLAGE OF DOWNERS GROVE
**Report for the Village**
**3/19/2019**

| SUBJECT: | SUBMITTED BY: |
|---|---|
| Authorization to Request Rock Salt Allocation From State of Illinois | Nan Newlon<br>Director of Public Works |

## SYNOPSIS

A motion is requested to authorize a rock salt allocation of 1,700 tons with the State of Illinois in the joint purchase of bulk rock salt for the 2019/2020 season. The Village will be obligated to authorize execution of a purchase contract with this allocation at a future date.

## STRATEGIC PLAN ALIGNMENT

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

## FISCAL IMPACT

The Village's winter snow and ice control operations span two fiscal years. The budget for the 2019/2020 season includes approximately $401,000 in the General Fund, (Page 4-3, Line 16). $176,000 is included in the FY19 Budget and $225,000 is anticipated for the FY20 Budget. Staff estimates the total cost of the required minimum salt purchase will range from $306,000 to $427,000 based on current salt prices.

## RECOMMENDATION

Approval on the March 19, 2019 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 2019/2020 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. The State requires formal approval of the salt allocation prior to their purchase of the Village's salt. The Village Council will approve the purchase of salt through the County contract after the contract has been bid.

| **Requested Allocation (tons)** | **Minimum** | **100% Allocation** | **Maximum** |
|---|---|---|---|
| State of Illinois Contract | 1,360 | 1,700 | 2,040 |
| DuPage County Contract | | 5,000 | |
| **Total Amount** | **6,360** | **6,700** | **7,040** |

The minimum amount of salt recommended to be purchased (6,360 tons) along with the 1,600 tons of salt on hand, would provide the village with 7,960 tons of salt for the 2019/2020 season 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 annual salt use for an average winter is about 5,000 tons, with a minimum use of about 2,800 tons and a maximum use of about 8,449 tons. The maximum amount of salt the Village could purchase under these contracts would provide 8,640 tons, including the salt on hand.

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. Since 2014 the Village has split salt purchases 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. The early delivery option offered by the DuPage County contract sets a fixed amount of salt to be delivered prior to November 30.

## ATTACHMENTS

State Salt Allocation Form 2019-2020

CMS
ILLINOIS JB Pritzker, Governor
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
Janel L. Forde, Acting Director

# MEMORANDUM

TO: Local Governmental Units Authorized to Participate in Joint Purchasing

FROM: Lance Traynor, Strategic Sourcing Manager,
Bureau of Strategic Sourcing, Commodities & Equipment

DATE: March 01, 2019

SUBJECT: Deadline for Submission of Bulk Rock Salt ( Sodium Chloride )-( Road Salt ) Requirements for the 2019 - 2020 Winter Season

**Action Required!**

The State of Illinois, Bureau of Strategic Sourcing is planning to solicit bids for Rock Salt, Bulk for highway ice control ( Road Salt ) in May or June of 2019 for the 2019 - 2020 Winter Season.

Additionally, existing contract ( **BidBuy CMS Contract # 18-416CMS-BOSS4-P-4129** ) contains a renewal option at the sole option of the State. Therefore, if you are a participant within this contract, and if your community's intention is to renew, then this must be identified.

**If your unit of government desires to be included** in this year's contract re-procurement solicitation, or wishes to participate in the existing contract with a renewal option, **you are required to complete the copy of the attached Joint Purchasing Requisition Form** and return it to the Bureau Of Strategic Sourcing no later than **5:00 P.M. April 01, 2019**. Your choice is to "**SOLICIT BIDS**" or "**RENEW**" or "not be an active participant" in the State's procurement efforts for the 2019 - 2020 Season. **Note: Timeframe for submission is firm, and will not be extended.**

**The "RENEW" Renewal Process - Utilize Table B**

If your governmental entity is a participant under the following CMS Contract - ( **BidBuy # 18-416CMS-BOSS4-P-4129** ) - and upon receipt of your stated **desire to RENEW** with your updated tonnage quantity requirements, the State will work to finalize renewal on behalf of your governmental entity. Should you choose to renew, all Terms and Conditions shall remain the same as in the present contract, and you will be able to re-state your desired quantities ( with cap on quantity increase not to exceed 20.% more than your past year's quantity ). **Complete Table B** ( only ) to indicate your intent to renew and state your desired quantity requirements.

**Note** that a **Renewal Option** is **not available** under current contracts ( **4018455 CMS-P 400, 4018456 CMS-P-401, and 4018457 CMS-P-401**) and you should **complete Table A** (only) to indicate your intent to participant, and state your quantity requirements for re-establishment of competitively bid new contract(s) for the 2019 - 2020 Season.

**The "SOLICIT BIDS" ReBid Procurement Process - Utilize Table A**

Should a renewal option not exist, or should you wish to participate in the State's bid process for the 2019 - 20120 Season, complete **Table A** (only) to indicate your intent to participate in the bid process, your minimum purchase requirement, and your desired bid quantities as 100.% of your contract commitment.

The State seeks to combine the needs of hundreds of governmental entities across Illinois into a single bid document in an effort to consolidate buying power, and to make it easier for vendors to respond to the individual needs of those hundreds of communities through a single bid response. Award is to the lowest responsible bidder meeting the terms and conditions of the bid solicitation. A single contract is completed for each vendor for all locations awarded through the competitive process. Thereafter, each governmental unit places its own orders with their vendor in compliance with the contract terms and conditions, and is responsible for direct payment to their contract vendor.

CMS does not set pricing, nor does CMS buy salt for resale. Vendors offer pricing under a competitive bid process, in accordance with the Illinois Procurement Code and Rules and the Illinois Joint Purchasing Act. CMS strives to utilize a consistent approach, to the greatest degree possible, in seeking to achieve a highly competitive bid process.

**Anticipated Terms – for the 2019 - 2020 Solicitation**

This section applies to those units of government participating in the joint purchase of rock salt contract solicitation. Renewing entities will be governed under the existing contract(s). All participants will be required to abide by the respective contract terms and conditions. The major terms for the upcoming season are expected to be as follows:

1. Rock Salt, Bulk specification shall be in accordance with AASHTO Specification M143, Sodium Chloride ( Road Salt ) Type 1, Grade 1, or an acceptable approved alternate.

2. Quantities shown in the invitation for bid are estimates only. The total ton quantity submitted shall be considered sufficient to service the seasonal needs of the local governmental unit, and may be adjusted as stated herein.

3. The purchase percentage agreement is consistent with last season's bid. We are asking local government to identify their purchase percentage commitment ( choose one ) on the Requisition Form. ( **Table-A Option** )

   3.a. When submitting Rock Salt ( Road Salt ) estimated usage for next winter, local governmental unit shall agree to purchase at least 80.% of the amount; and the vendor shall agree to furnish not less than 120.% of the awarded tonnage amount. ( Please make selection on Requisition Form )
   ***OR***
   3.b. When submitting Rock Salt ( Road Salt ) estimated usage for next winter, local governmental unit shall agree to purchase at least 100.% of the amount; and the vendor shall agree to furnish not less than 120.% of the awarded tonnage amount. ( Please make selection on Requisition Form )

   3.c. Each governmental unit is responsible for ensuring that the guaranteed purchase requirement is met before the end of the season ( **June 30, 2020** ).

4. Each governmental unit shall be responsible for issuing their own purchase orders against the resulting contract.

   4.a. ***Governmental units are strongly encouraged to order early and to store as much salt as possible*** *in order to help prevent potential salt shortages.* Governmental units need to make every effort to place orders in full truckload quantity of ( 22 - 25 tons ). Requests for a quantity of less than a truckload will not be accepted.

4.b. Local governmental units reserve the right to purchase up to 50.% of the total award requirements prior to **November 30, 2019** and the vendor shall notify each delivery point in advance of when shipment is to begin.

4.c. Vendors shall accept orders at any time during the period from the date of contract issue through the last day of the contract, or as mutually agreed upon by the vendor and contract participant.

5. Deliveries shall be accepted only on regular work days ( Monday through Friday and excluding all State holidays ) during regular work hours ( 7:30 a.m. to 4:00 p.m.), except when special arrangements have been made in advance with an appropriate agency or governmental representative at the delivery site.
   All truck loads shall be covered with an approved weatherproof material, and all deliveries shall be Pre-Paid F.O.B. Destination as stated in the order document.
   Truckloads containing foreign material such as mud, rocks, etc., may be rejected at the delivery site, and a replacement shipment scheduled by the contract vendor.
   The State and Local Governmental Units reserve the right to require that some trucks occasionally be directed to a scale in the vicinity of the delivery point as a check on delivered truckloads.
   Deliveries are to be made as soon as possible after receipt of an order, maximum time from receipt of an order placed by local governmental units after December 1.st shall not exceed seven working days, or as modified by Contract Order Guidelines.
   Each governmental unit shall be responsible for the processing of vendor invoices in a timely manner to ensure prompt payment is made directly to the vendor.

6. CMS intends to continue to include a liquidated damages clause similar to the following:
   From **December 1, 2019** thru **April 1, 2020**; if the vendor is unable to make delivery within the required working days, governmental units shall have the right to assess and retain a specified amount per ton per calendar day as liquidated damages on the undelivered portion of the order. If after seven days of liquidated damages, the vendor has still failed to deliver as required, governmental units shall reserve the right to take action to remedy the failure of vendor performance in accordance with the contract.

7. For contract performance protection, the State will secure a performance bond from the contracted vendor, valued at 20.% of the total of the contract award dollar value.

8. In December 2019 the contract vendor(s) shall be required to have stockpile(s) in place located in or near Illinois covering 100.% of the total tonnage awarded for the northern regions of the State, and in January of 2020 the stockpile(s) located in or near Illinois covering 100.% of the tonnage awarded for all other regions of the State.

9. The contract price shall remain firm for the entire contract period up to the maximum 120.% guaranteed limit.
   Local governmental unit requirements over the maximum 120.% purchase threshold will be supplied by the vendor upon mutual agreement of the parties.
   In the case of an emergency, efforts shall be made to have the vendor ship enough salt to aid affected local governmental units through the emergency situation.

**2016 - 2019 Season Retrospective**

A competitive bid process, essentially unchanged from previous years, was used in the solicitation to meet statewide requirements for over 850 individual participants, This past season salt re-procurement did not incur the challenges experienced in the 2014-2015 season and all requirements were fulfilled at bid prices much lower than the weighted average in previous seasons.

**This is an Opt-in Process**

**Participation** in the State's procurement process for Rock Salt ( Road Salt ) **is voluntary**, an opt-in process. CMS has no method to ensure vendor participation, nor control pricing that vendor's offer in the competitive bid process.

Local Communities are not inhibited nor restricted from seeking bids independently should they choose to do so. However, **by indicating** through this requisition process **your desire to** either **"RENEW"** or to **"SOLICIT BIDS"** in the upcoming bid process, **you are committing your entity's participation**. The State will act in accordance with your submitted requisition.

We ask that you give immediate attention to this matter and allow reasonable mailing time or fax response submittal to ensure that we receive your salt request prior to the deadline. Be sure to include current contact information as requested, including a contact Email Address, for future correspondence. Return your Joint Purchasing Requisition via **Email** as stated below no later than **5:00 p.m. on April 01, 2019**. ( **Deadline is firm**, and will not be extended. )

We thank you for your consideration and welcome your participation in the upcoming bid. Any questions you have in completing the form or concerning the rock salt bid/contract can be directed to the following:

Wayne Ilsley, CPPB, Buyer
Department of Central Management Services
Bureau of Strategic Sourcing – Commodities & Equipment
1000 E. Converse Street, Springfield, IL 62702
Phone: (217) 782-8091 Fax: (217) 782-5187
**Email Address for submission:**
**CMS.BOSS.EC@illinois.gov**

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/bso/ |
| 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<br>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**<br>Click on Copy of contract (underlined) next to **Agency Attachment** field to download contract document |
| To Exit | In BidBuy<br>Click **Exit** at bottom of screen |
| Advanced Search | Click **Exit** at bottom of screen to return to BidBuy homepage |

# ILLINOIS

## JOINT PURCHASING REQUISITION

## CY'19-'20 New Purchase Commitment

**PLEASE RETURN TO:**
**Illinois Department of**
**Central Management Services**
**IEPA North Building**
**1000 E. Converse Street**
**Springfield, IL 62702**

**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' 2019-2020 Contract Procurement.
**Notice:->** Please complete and return the Contact information below to remain on the mailing list.

Joint Purchasing #: ______________________

Date: ____ / ____ / **2019**

Government Unit: ______________________

Mailing Address: ______________________

City / State / Zip: ______________________

County: ______________________

Contact Person: ______________________

Telephone Number: ______________________

Fax Number: ______________________

Contact Email: ______________________

| Delivery Point |
|---|
| ( Provide Delivery Details To Contract ) ( Vendor At Time Of Order Placement ) |
| <- Please provide Email Address<br><- Please ensure Address is Legible |

* * * * * * * * * * * * * **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 | UNIT MEASURE |
|---|---|---|
| AASHTO M143 Road Salt or Equivalent<br>**Rock Salt, Bulk** | ( Total Tonnage )<br>__________ | ( 22 – 25 Ton / Truck )<br>**Tons** |

Please note your **Purchase Commitment Percentage** for **Total Tonnage Quantity** as 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" Requirements for your governmental entity**

| ITEM DESCRIPTION | QUANTITY | UNIT MEASURE |
|---|---|---|
| AASHTO M143 Road Salt or Equivalent<br>**Rock Salt, Bulk** | ( Total Tonnage )<br>__________ | ( 22 – 25 Ton / Truck )<br>**Tons** |

**Note: Renewal is available ONLY under CMS BidBuy Contract # 18-416CMS-BOSS4-P-4129 for prior CY' 2018-2019.** 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:

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 TITLE