

COUNCIL WORKSHOP ITEM

ITEM: Participation in the Intergovernmental Supply of Bulk Rock Salt Program
FY 2003/04

DATE: October 29, 2003

PREPARED BY: Rick Ebel, Pavement Manager-Kevin Dunne, Drainage Manager- John
Tucker, Materials Coordinator and Kerstin von der Heide, Forestry &
Grounds Manager

PURPOSE: The Village submitted a request for 6,000 tons to be included in the
2003/04 joint purchase agreement with the State of Illinois for supply of
roadway bulk rock salt. Dupage County also participates in this program
for the rock salt purchase. The State of Illinois contract was awarded to
Cargill Incorporated

BID AMOUNT: \$ **ACCOUNT:** 001.349.0000.5226
BUDGET AMOUNT: \$ 180,000.000

DISCUSSION:

The recommended unit price per ton of \$29.16 represents a decrease from last year's salt price of \$29.44. Cargill Salt was the awarded contract vendor in 2000/01, 2001/02 & 2002/03.

The request for purchase of 6,000 tons will allow the Village to purchase additional salt without penalty at the contract price, should the need arise. The contract requires that we purchase a minimum of 70% (4,200 tons) of the allocation and up to our maximum of 130% (7,800 tons) without penalty. The State advised that purchases made over the 130% guaranteed limit are subject to increase if the vendor's cost for rock salt increased by more than 5%. The vendor must submit proof of this increase before any increases are allowed.

Emergency pickup of rock salt at the vendor's warehouse is available Monday-Friday, 7:00 a.m. to 5 p.m., at a price of \$ 47.00 per ton. The award letter (attached) encourages governmental units to order early and store as much salt as possible in order to prevent potential salt shortages this winter.

As part of our annual snow removal program the following table is used to show the road salt purchase for the last fourteen years.

While rock salt is purchased on an as-needed basis, in order to maintain the practice of salting all roadway surfaces there is a strong likelihood that we will require more than the 5,160 tons of salt set by current budget parameters.

Fiscal Year	Tons Purchased	Contract Price per ton	Extension
1987/88	6885.6296	\$17.09	\$117,675.41
1988/89*	7150.3518	\$20.72	\$155,267.44
1989/90	5999.1091	\$20.89	\$125,321.39
1990/91	5669.6909	\$21.22	\$120,310.84
1991/92	3636.9848	\$21.72	\$78,995.31
1992/93	4082.1409	\$21.72	\$88,664.10
1993/94	5130.2030	\$23.60	\$121,072.79
1994/95	3034.3500	\$23.35	\$70,852.07
1995/96	2777.2900	\$26.60	\$73,875.91
1996/97**	4126.9000	\$26.94	\$110,982.76
1997/98	4044.0000	\$26.76	\$108,217.44
1998/99**	3832.8100	\$26.65	\$101,769.81
1999/2000	4315.6800	\$24.56	\$105,993.10
2000/01	6803.8800	\$25.21	\$171,525.81
2001/02	4955.6500	\$29.44	\$145,984.34
2002/03	4566.87	\$29.16	\$135,075.02

* Includes a \$7,7112.15 penalty charge for overage in FY1988/89

** Liquidated damages reduced the total purchase by \$195.93 in 1996/97 and \$374.58 in 1998/99

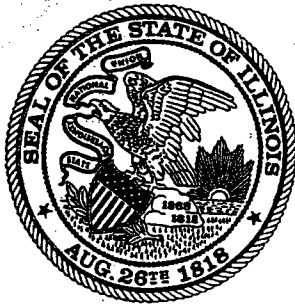
ATTACHMENT:

Joint Purchase Rock Salt Purchase Contract Information Letter

RECOMMENDATION: It is recommended that the Village accept the State unit price of \$29.16/ton with the total purchase not to exceed \$180,000.00 without further Village Council approval.

Approved by Village Manager:

cc: Dave V



ILLINOIS

JOINT PURCHASING REQUISITION

Please return to:
Illinois Department of
Central Management Services
Bureau of Support Services
Procurement Services Division
801 William G. Stratton Building
Springfield, Illinois 62706
Fax: (217) 782-5187

J. P. #: L1510

Government Unit: VILLAGE OF DOWNERS GROVE

Date: March 17, 2003

Address: 801 BURLINGTON

City / State / Zip: DOWNERS GROVE, IL. 60515

County: DUPAGE

Telephone #: (630) 434-5530 or (630) 434-5468

Contact Person: TERRI TARKA OR RICK EBEL

Fax #: (630) 434-5572

Delivery Point

PUBLIC WORKS FACILITY
5101 WALNUT AVENUE
DOWNERS GROVE, IL. 60515

VILLAGE HALL
801 BURLINGTON
DOWNERS GROVE, IL. 60515

ITEM DESCRIPTION	QUANTITY	UNIT MEAS.	AMOUNT BUDGETED
BULK ROCK SALT	6,000	TONS	\$180,000

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 government unit and not for the personal use of any official or individual.

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

20 MAR 03
TITLE



ILLINOIS

PROCUREMENT SERVICES DIVISION LETTER

cc: Dave V
cc: Mike B
cc: Trisha
cc: Rick Edel
cc: Schiller
cc: Bajor
cc: Balick
cc:

February 14, 2003

PROCUREMENT SERVICES DIVISION LETTER #2451

TO: All Local Governmental Units authorized to participate in Joint Purchasing
FROM: Michael M. Rumman, Director *MMR*
SUBJECT: Deadline for the Submission of Bulk Rock Salt (Sodium Chloride) Requirements for the 2003-2004 Winter Season

THIS MEMORANDUM CANCELS AND SUPERSEDES PROCUREMENT SERVICES DIVISION LETTER #2426, DATED FEBRUARY 14, 2002.

The State of Illinois, Procurement Services Division, is planning to award bids for highway ice control, bulk rock salt, sometime during August/September, 2003. If your unit of government is desiring to participate in this year's bid, you are required to complete the copy of the attached Joint Purchasing Requisition and return it to the Procurement Services Division no later than 5:00 p.m., April 30, 2003.

We ask that you give immediate attention to this matter and allow reasonable mailing time to ensure that we receive your salt request prior to the deadline.

CMS

ILLINOIS

Rod R. Blagojevich, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Michael M. Rumman, Director

PROCUREMENT SERVICES DIVISION
801 WILLIAM G. STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706

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Those units of government participating in the joint purchase of rock salt with the State will be required to abide by the contract terms and conditions. The major terms of the bid are as follows:

1. Rock salt to be furnished shall be in accordance with State of Illinois, Department of Transportation Specification M36-86, effective June 1, 1986.
2. All quantities to be shown in the invitation for bid are estimates only. The total quantity as submitted is to be considered sufficient to service the needs of the local governmental unit.

When submitting your rock salt estimated usage for next winter, the local governmental unit shall agree to purchase at least 70% of the amount; the vendor shall agree to furnish not less than 130% of the amount.

Each governmental unit is responsible for ensuring that the 70% guaranteed purchase requirement is met before the end of the contract (June 30, 2004). The vendor is required to furnish not less than 130% (if required) of the requisitioned need by March 1, 2004.

Local governmental units reserve the right to purchase up to 50% of their estimated requirements prior to October 1, 2003. The vendor shall notify each delivery point of when shipment is to begin.

3. Each governmental unit shall be responsible for issuing its 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. *Governmental units are strongly encouraged to order early and to store as much salt as possible in order to help prevent potential salt shortages this winter.* Governmental units need to make every effort to place orders in full truckload lots (20-22 tons).

Vendors will accept orders at any time during the period from the date of contract issue until the end of the fiscal year of 2004 (June 30, 2004) for the local governments awarded them.

4. Deliveries will be accepted only during regular work days (Monday thru Friday), working hours (7:30 a.m. to 4:00 p.m.), except for when special arrangements have been made in advance with the appropriate representative at the delivery site. All truck loads shall be covered with approved weatherproof materials. All deliveries shall be F.O.B. Destination.

Truckloads containing foreign material such as mud, rocks, etc., may be rejected at the delivery site.

The State and local governmental units reserve the right to require that 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. The maximum time from receipt of order placed by local governmental units after November 1, 2003, shall not exceed seven calendar days. There is not a set delivery time limit for orders placed prior to November 1, 2003.

Each governmental unit shall be responsible for the processing of vendor invoices in a timely manner.

5. From November 1, 2003 thru April 1, 2004, if the vendor is unable to make delivery within seven calendar days, local governmental units shall have the right to retain \$.20 per ton per calendar day as liquidated damages on the undelivered portion of the order. Generally speaking, an order placed prior to 12:00 noon on a given day would be considered as the first calendar day of the seven day delivery period. For orders placed after 12:00 noon on a given day, the following day would be considered as the first calendar day of the seven day delivery period. If the seventh day would fall on a holiday or a weekend, unless prior delivery arrangements are made with the vendor, delivery would be expected on the next regular business day without assessment of liquidated damages. If after seven days of liquidated damages assessment, the vendor has still failed to deliver as required, local governmental units shall reserve the right to take action to remedy the failure of vendor performance without prior notification of such failure. This may include termination of the order and purchase of salt or abrasives 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 original vendor, in addition to any liquidated damages.
6. For your protection, the State will secure a performance bond from the contract vendor, valued at 20% of the total contract award.
7. By December 1, 2003, the contract vendor will be required to have in place stockpile(s) located in or near Illinois covering 100% of the tonnage awarded for the northern regions of the State. By January 1, 2004, the contract vendor will be required to have in place stockpile(s) located in or near Illinois covering 100% of the tonnage awarded for all other regions of the State. At our discretion, we will be inspecting these stockpiles to ensure that these stockpiles are in sufficient quantities, and that the commitments to these stockpiles are with the users of this contract.
8. The contract price shall remain firm for the entire contract period up to the 130% guaranteed limit, unless otherwise changed by law. The contract price for purchases made in excess of the 130% guaranteed limit is subject to increase if vendor's costs for providing rock salt increase by more than 5%. Prior to acceptance of any price increase, the contract vendor must submit documentation to the local governmental unit justifying the increase. However, in the event that the economically adjusted price offered is higher than the next lowest bidder's bid which was offered on the bid invitation, and if the next lowest bidder is willing to hold its quoted price firm, the governmental unit shall be permitted to buy rock salt from the next lowest bidder at the bidder's quoted price. Such secondary award will remain in effect for as long as the quote price remains firm.

Unless an emergency exists, those local governmental units under the 130% purchase threshold will receive salt deliveries prior to those local governmental units over the 130% purchase threshold. In the case of an emergency, efforts will be made to have the vendor ship enough salt to aid affected local governmental units through the emergency.

(Requests for rock salt in bags and those for bulk salt with an estimated total cost/of less than \$500.00 will not be accepted.)

We thank you for your consideration in the participation of the upcoming bid. Any questions that you may have in completing the form or concerning the rock salt bid/contract are to be directed to the following buyer:

Wayne Ilsley
Department of Central Management Services
Room 801 William G. Stratton Building
Springfield, IL 62706
Telephone (217) 782-8091
Fax (217) 782-5187



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Government Unit: _____

Date: _____

Address: _____

City / State / Zip: _____

County: _____

Telephone #: _____

Contact Person: _____

Fax #: _____

Delivery Point

ITEM DESCRIPTION	QUANTITY	UNIT MEAS.	AMOUNT BUDGETED

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 government unit and not for the personal use of any official or individual.

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

