

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

_____ Resolution or Ordinance (Blue) _____ *Waiver of First Requested*
_____ Recommendations of Boards, Commissions & Committees (Green)
 X Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager

DATE: March 1, 2011 (B of T) Date: March 3, 2011

TITLE: State Joint Purchasing Requisition for Rock Salt FY2012

SUBMITTED BY: Keith J. Surges, Operations Superintendent *KJS/oa*

BACKGROUND/POLICY IMPLICATIONS:

A staff request for approval to participate in the State Joint Purchasing Requisition for Rock Salt for Fiscal Year 2012. This year it would be a renewal of the 2011 contract.

FISCAL IMPACT/FUNDING SOURCE

\$300,000 / MFT 7370.733200

Review (as necessary):

Village Attorney X _____ Date _____

Finance Director X _____ Date _____

Village Manager X _____ Date _____

NOTE: Materials must be submitted to / approved by the Village Manager's Office by 12:00 pm, Wednesday, prior to the Agenda Distribution.



To: David A. Hulseberg, Village Manager
Through: Carl Goldsmith, Public Works Director *ag*
From: Keith J. Surges, Operations Superintendent *KJS*
Date: March 1, 2011
Subject: Renewal of Joint Purchase of Rock Salt for FY 2012

Public Works has been notified that the State of Illinois is again establishing a central contract to purchase rock salt. The Village has historically purchased salt in this manner, and has had a fairly consistent supply and low pricing. The Public Works Department wishes to participate in this renewal program again.

Request Village Board approval to participate in the renewal program. An estimated 4,000 tons of salt will be used to de-ice Village streets in FY 12. Under the terms of the program the Village must purchase a minimum of 3,200 tons by June 30, 2012 (80% of the requisition). Eighteen years ago, one of the mildest winters on record, the Village used 2,091 tons. This winter so far we have received 3,350 tons of salt. Please note the Village storage capacity under the Coverall Structure is 750 tons. As a result of the limited storage capacity, the Village is forced to take delivery of small quantities of salt and cannot take advantage of the potential for reduced off-season pricing. The Village also has the option of purchasing up to 4,800 tons at the same price (120% of the requisition). Depending on weather conditions, this option has been exercised before. As much as possible, this contract provides a low price and sufficient flexibility to prevent shortages or over-buying.

Once approved, the attached requisition will be submitted to the State for inclusion in their renewal bid. Once awarded, Public Works will request Village Board approval to enter into a contract with the lowest responsible bidder at a specified price. At this time, approval to participate is all that is being requested.

The staff recommends that the Village President sign the attached Illinois Joint Purchasing Requisition authorizing the State to bid on behalf of Lombard and return the item to the Director or Public Work in order to ensure that the requisition is returned to Central Management Services no later than March 18, 2011 at 5:00 pm.



ILLINOIS

Pat Quinn, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

James P. Sledge, Director

MEMORANDUM

FEB 22 2011

TO: Local Governmental Units Authorized to Participate in Joint Purchasing

FROM: Bret McKneelen Acting Portfolio Manager,
Bureau of Strategic Sourcing – Commodities & Equipment

DATE: February 14, 2011 *Bm 1-10-11*

SUBJECT: Deadline for Submission of Bulk Road Salt (Sodium Chloride)
Requirements for the 2011 - 2012 Winter Season

Action Required

The State of Illinois, Bureau of Strategic Sourcing is planning to solicit bids for highway ice control (bulk road salt) in April of 2011 for the 2011-2012 winter season.

Additionally, existing contracts **4016216, 4016217, 4016218, 4016219, and 4016220** contain a renewal option at the sole option of the State. If you are a participant within one of those contracts and if your community's intention is to renew your contract with the same vendor, then this must be identified.

If your unit of government desires to be included in this year's solicitation, or wishes to renew under one of the existing contracts with a renewal option, you are required to complete the copy of the attached Joint Purchasing Requisition and return it to the Bureau of Strategic Sourcing no later than 5:00 p.m. March 18, 2011. Your choice is to do one or the other, or to not be an active participant in the State's procurement efforts for the 2011-2012 season. Notice: This timeframe is firm, and will not be extended.

The Renewal Process

If your governmental entity is a participant under one of the following contracts – (**4016216, 4016217, 4016218, 4016219, 4016220**) – and upon receipt of your stated desire to renew with your updated quantity requirements, the State will work to finalize the renewal on behalf of your governmental entity. Note that a contract renewal option is not available under contracts 40153782, 4015783, or 4015784. Should you choose to renew, all terms and conditions shall remain the same as in the present contract, and you will be able to reset desired quantities (with a max. cap on quantity increases not to exceed 20.% more than your past year's quantity). Utilize Table B (only) to indicate your intent to renew and submit your renewal quantity requirements.

The Procurement Process

Should a renewal option not exist, or should you wish to be included in the State's bid process for the 2011-2012 season, complete Table A (only) to indicate your intent to participate in the solicitation process, your minimum purchase requirement, and your desired quantities at 100%.

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

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, and seeks to achieve as competitive of a process as possible.

Anticipated Terms – for the 2011-2012 Solicitation

This section applies to those units of government participating in the joint purchase of bulk rock salt solicitation. Renewing entities will be governed under the existing contract. All participants will be required to abide by the respective contract terms and conditions. The major terms of the bid for the 2011-2012 season are expected to be as follows:

1. Rock salt specification shall be in accordance with AASHTO Specification M143, Sodium Chloride 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 to be sufficient to service the seasonal needs of the local governmental unit, and may only be adjusted as stated.
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.
 - 3.a. When submitting rock 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 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 winter season (June 30, 2012), and the vendor(s) shall be required to furnish (if required) the maximum percent tons by March 01, 2012.
4. Each governmental unit shall issue their own vendor purchase order. Order may be placed with the vendor via telephone and a written or fax confirmation document shall follow immediately thereafter.
 - 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 quantities of (22 - 25 tons). Requests for rock salt with 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, 2011 and 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.

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 order placed by local governmental units after December 1st shall not exceed seven working days, or as modified by Contract Order Guidelines. There is not a set delivery time limit for orders placed prior to December 1, 2011 or orders placed after April 1, 2012.

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

6. CMS intends to continue to include a liquidated damages clause similar to the following:
From December 1, 2011 thru April 1, 2012; if the vendor is unable to make delivery within the required working days, units shall have the right to retain \$.20 per ton per calendar day as liquidated damages on the undelivered portion of the order. If after seven days of liquidated damages assessment, 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 2011 the contract vendor(s) shall 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 2012 stockpile(s) located in or near Illinois covering 100% of the tonnage awarded for all other regions of the State. At CMS discretion, the State may inspect the stockpiles to ensure they are in sufficient quantities, and that vendor's commitments for these stockpiles are with users of this contract.
9. The contract price shall remain firm for the entire contract period up to the maximum guaranteed limit. Contract pricing for a purchase made in excess of the guaranteed limit, and if available for purchase, is subject to an increase if vendor's costs for providing rock salt increase by more than 5%.
10. Unless an emergency exists, the local governmental units under the maximum 120% purchase threshold will receive salt deliveries prior to the local governmental units over the maximum 120% purchase threshold. 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.

This is an Opt-in Process

Participation in the State's procurement process for rock 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 participate 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, to ensure that we receive your salt request prior to the deadline. Return your Joint Purchasing Requisition via fax and/or mail no later than 5:00 p.m. March 18, 2011. This deadline is firm, and will not be extended.

We thank you for your consideration and welcome your inclusion in the upcoming solicitation. 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
Room 801 William G. Stratton Office Building
Springfield, IL 62706
Phone: (217) 782-8091
Fax: (217) 782-5187



ILLINOIS

JOINT PURCHASING REQUISITION

PLEASE RETURN TO:

Illinois Department of
 Central Management Services
 801 Wm. G. Stratton Building
 401 S. Spring Street
 Springfield, IL 62706
 Fax: (217) 782-5187

Joint Purchasing #: L-3250

Government Unit: Village of Lombard

Mailing Address: 255 E. Wilson Avenue

City / State / Zip: Lombard, IL 60148

County: DuPage

Contact Person: Carl Goldsmith

Telephone Number: 630-620-5740

Fax Number: 630-620-5982

Contact Email: goldsmithc@villageoflombard.org

Date: 03 / 03 / 2011

Delivery Point
282 E. Central Avenue Lombard, IL 60148
<- Please provide Email Address

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	QUANTITY	UNIT MEASURE	AMOUNT BUDGETED
<u>AASHTO M143 Road Salt or Equivalent</u>	<u>(Total Tonnage)</u>	<u>(22 - 25 Ton / Truck)</u>	<u>(Local Governmental Use Only)</u>
Road Salt, Bulk	<u>4,000</u>	Tons	<u>\$300,000</u>

Please note your Purchase Commitment Percentage for total tonnage quantity stated above (choose one):

- OPTION 1 80% minimum purchase requirement/120% maximum purchase requirement
 OPTION 2 100% minimum purchase requirement/120% maximum purchase requirement

Complete Only One Either "Table-A" Above or "Table-B" Below

Table B: Complete this table to have the State RENEW for your governmental entity (ONLY)

ITEM DESCRIPTION	QUANTITY	UNIT MEASURE	AMOUNT BUDGETED
<u>AASHTO M143 Road Salt or Equivalent</u>	<u>(Total Tonnage)</u>	<u>(22 - 25 Ton / Truck)</u>	<u>(Local Governmental Use Only)</u>
Road Salt, Bulk	_____	Tons	_____

Note: Renewal is available ONLY under contracts 4016216, 4016217, 4016218, 4016219, or 4016220 for the 2011-2012 season. Your quantity may not exceed more than a 20% increase of last season's quantity, and price cannot increase more than 5% of last season's price. Other Terms & Conditions of Contract will remain the same as last year. Check renewing contract: Contract 4016216 () Contract 4016217 () Contract 4016218 () Contract 4016219 () Contract 4016220 ()

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

Printed on Recycled Paper

 Village President

TITLE