

VILLAGE OF LOMBARD  
REQUEST FOR BOARD OF TRUSTEES ACTION

For Inclusion on Board Agenda  
Bids and Proposals

TO : President and Village Board of Trustees

FROM : William T. Lichter, Village Manager

DATE : September 24, 2008 Agenda Date: October 2, 2008

TITLE : Bid Opening For: Road Salt FY2009

SUBMITTED BY: Keith J. Surges, Acting Assistant Director of Public Works

RESULTS:

Date Bids Were Published \_\_\_\_\_ Bidding Closed \_\_\_\_\_  
Total Number of Bids Received \_\_\_\_\_  
Total Number of Bidders Meeting Specifications \_\_\_\_\_

Bid Security Required \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

Performance Bond Required \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

Were Any Bids Withdrawn \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

Explanation: \_\_\_\_\_

Waiver of Bids Requested? \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, explain: \_\_\_\_\_

Award Recommended to Lowest \_\_\_\_\_

Responsible Bidder? \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

If no, explain: \_\_\_\_\_

FISCAL IMPACT:

Engineer's estimate/budget estimate \_\_\_\_\_  
Amount of Award \_\_\_\_\_

\$130,000.00  
\$481,800.00 7370.733200

BACKGROUND/RECOMMENDATION:

See attached memo.

Has Recommended Bidder Worked for Village Previously? \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, was quality of work acceptable \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

Was item bid in accordance with Public Act 85-1295? \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

Waiver of bids - Public Act 85-1295 does not apply \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

REVIEW (as needed):

Village Attorney XX \_\_\_\_\_ Date 9/24/08  
Finance Director XX \_\_\_\_\_ Date 9/24/08  
Village Manager XX \_\_\_\_\_ Date 9/24/08





## Memorandum

To: David A. Hulseberg, Village Manager

Through: David Gorman, Acting Director of Public Works *DOG*  
Keith J. Surges, Acting Assistant Director of Public Works *KS*

Date: September 24, 2008

Subject: FY 2009 Road Salt Purchase

The State of Illinois has awarded the contract for rock salt for the FY 2009. The successful bidder this year is North American Salt Company. This year there is an increase in cost of salt by 300%; salt contract price will be \$120.45 per ton.

The Village Board approved joint purchase of rock salt with the State of Illinois on April 30, 2008. The Village requisition included an estimated 4,000 tons of salt. The Village is required to purchase 70% of this amount (2,800 tons) or at its option may purchase up to 130% of this amount at the same price (\$5,200 tons).

Following through on the April 30, 2008 Board approval, authorization is requested to enter into contract with North American Salt Company to purchase 4,000 tons of rock salt at \$120.45 per ton. The purchase order will be in an amount not to exceed \$481,800.00, which includes a budget adjustment increase of \$351,800.00 over the original budgeted amount of \$130,000. As a formality, I am requesting a waiver of bids.

Please place this item on the October 2, 2008, Board agenda.

Please contact me should you have any questions.

DG/KJS:ks H:\VWPW Operations Bids\Bids FY2009PWO-0904 SALT2009 Memo to DAH 9-25-2008.doc

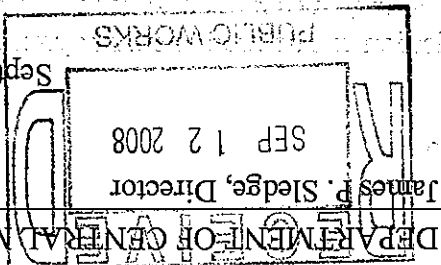


# CMS

ILLINOIS

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Rod R. Blagojevich, Governor



September 08, 2008

Dear Joint Purchasing Participant:

Subject: 2008-2009 Rock Salt Contract Information

The 2008 - 2009 Rock Salt season contract procurement incurred unprecedented issues that significantly impact many areas of the State. Supply, demand, and logistical factors have adversely affected the resultant availability and price offering for certain locations throughout the State of Illinois, as well as other surrounding states. We have made every effort to secure Road Salt at the best available price for participants in our contract re-procurement, but some responses were not as we hoped. Some price offerings are higher than desired but must be accepted to ensure product availability as they were the best or only offer received. Therefore we recommend that participating agencies examine their application rates and roadway priorities in order to reduce next season's cost while also ensuring the safety of the public.

Enclosed is a copy of the requisition you submitted to us for the purchase of rock salt. The information from the requisition can be used to submit your requirements to this year's contract vendor:

Contract: PSD 4015382

FEIN: 48-1047632

North American Salt Company

9900 West 109-th Street

Overland Park, KS 66210

Phone (800) 323-1641 or (913) 344-9301

Contact Name: Patrick Heenan

The contract price per ton, F.O.B. destination, is \$ 120.45 Emergency pickup of salt option at vendor's warehouse is not being made available under this season's 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 is \$5.50 per ton.

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 early and to store as much salt as possible in order to help prevent potential salt shortages this winter. Also, you need to make every effort to place orders in full truckload lots (20-22 tons).



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 Rod R. Blagojevich, Governor  
 DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
 James P. Siedge, Director

Your governmental unit is responsible for ensuring that the 70% guaranteed purchase requirement is met before the end of the season, June 30, 2009. Vendor is required to furnish not less than 130% (if required) of the requisitioned need by March 1, 2009. Your governmental unit is responsible for processing of 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 November 1, 2008 through April 1, 2009 shall not exceed seven calendar days, unless as modified in the Order Guidelines herein.

For orders placed between November 1, 2008 and April 1, 2009, if the vendor is unable to make delivery within the order timeline, 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. For an order placed prior to 9:00 a.m. on a given day, that day would be considered as the first calendar day of the seven-day delivery period. For order placed after 9:00 a.m. on a given day, the following day would 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 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 calendar days after receipt of order. Quantity ordered above the 20% threshold shall have an extended deliver time of one-calendar-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 calendar days after receipt of order, the remaining 5 ton shall be delivered within 12 days after receipt of order.

If after seven calendar days of liquidated damages assessment, the vendor has still failed to deliver, local governmental units shall have the right to terminate the order and purchase salt or abrasives from another source or take action consistent with public safety as needed to continue daily business. Any and all additional costs may be collected from the original vendor, in addition to any liquidated damages.

All deliveries shall be covered with approved weatherproof materials. The vendor will ensure that the 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.



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 James P. Sledge, 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 2008, the contract vendor shall have in place stockpile(s) located in or near Illinois covering 100% of the tonnage awarded for the northern regions of the State, and in January of 2009 the contract vendor shall have in place stockpile(s) located in or near Illinois covering 100% of 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 the commitments to the stockpiles are with the users of this contract.

The contract price shall remain firm for the entire contract period for up to the 130% guaranteed limit, unless otherwise changed by mutual agreement. 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%. The contract vendor must submit to CMS documentation justifying the increase for acceptance for implementation.

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 vendor ship enough salt to aid affected local governmental units through the emergency.

The Department of Central Management Services requested pricing for an enhanced rock salt option in the invitation for bid and an Enhanced Rock Salt 2008 - 2009 availability is not provided for in this season's procurement process.

You are under contractual obligation to purchase 70% of the requested tonnage of rock salt from the vendor awarded your location. Purchase of an enhanced rock salt will not lessen this agreement, and would be in addition to your required purchase tonnage.

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 Hsley, Buyer

Bureau of Strategic Sourcing And Procurement

GovSaltdoc



# ILLINOIS JOINT PURCHASING REQUISITION

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

PLEASE RETURN TO:

Date: March 24, 2008

Delivery Point  
 282 E. Central Ave.  
 Lombard, Illinois

Village of Lombard  
 255 E. Wilson Avenue  
 Lombard, Illinois 60148  
 DuPage  
 Keith J. Surges  
 630-620-5988  
 630-873-4603

Joint Purchasing #: L-3250 - 3250  
 Government Unit:  
 Mailing Address:  
 City / State / Zip:  
 County:  
 Contact Person:  
 Telephone Number:  
 Fax Number:

ITEM DESCRIPTION	QUANTITY	UNIT MEASURE	AMOUNT BUDGETED
ASHTO Specification M143 Road Salt	4000	Tons	\$130,000
Rock Salt, Bulk			

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

Village President  
 TITLE