

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

060567

TO : President and Village Board of Trustees
FROM : William T. Lichter, Village Manager
DATE : September 27, 2006 Agenda Date: October 5, 2006
TITLE : Bid Opening For: Road Salt
SUBMITTED BY: Keith J. Surges, Operations Superintendent

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Were Any Bids Withdrawn _____ Yes _____ No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? _____ XX Yes _____ No
If yes, explain:

Award Recommended to Lowest _____ Yes _____ No Responsible Bidder?
If no, explain:

FISCAL IMPACT:

Engineer's estimate/budget estimate \$110,000.00
Amount of Award \$145,320.00 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

REVIEW (as needed):

Village Attorney XX _____ Date _____
Finance Director XX W. Leonard Flood Date 09/27/06
Village Manager XX W. T. Lichter Date 9/27/06



To: William T. Lichter, Village Manager -
Through: Wesley Anderson, Director of Public Works
From: Keith J. Surges, Operations Superintendent
Date: September 27, 2006
Subject: FY 2007 Road Salt Purchase

Attached you will find the State of Illinois bid price for rock salt for the FY 2007. The successful bidder this year is Cargill Incorporated Salt Division. This year there is an **increase** in cost of **5.46%**; salt contract price will be \$36.33 per ton.

The Village Board approved joint purchase of rock salt with the State of Illinois on April 6, 2006. 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 6, 2006, Board approval, authorization is requested to enter into contract with Cargill Incorporated Salt Division to purchase 4,000 tons of rock salt at \$36.33 per ton. The purchase order will be in an amount not to exceed \$145,320.00, which includes a budget adjustment **increase** of \$35,320.00 in the event that we exceed the 3,028 tons of salt budgeted (\$110,000). As a formality, I am requesting a waiver of bids.

Please place this item on the October 5, 2006, Board agenda.

Please contact me should you have any questions.



ILLINOIS

JOINT PURCHASING REQUISITION

PLEASE RETURN TO:

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

Joint Purchasing #: 3250
~~3150~~ - 3250

Government Unit: Village of Lombard

Mailing Address: 255 E. Wilson Avenue

City / State / Zip: Lombard, Illinois 60148

County: 1 DuPage

Contact Person: Keith J. Surges

Telephone Number: 630-620-5988

Fax Number: 630-873-4603

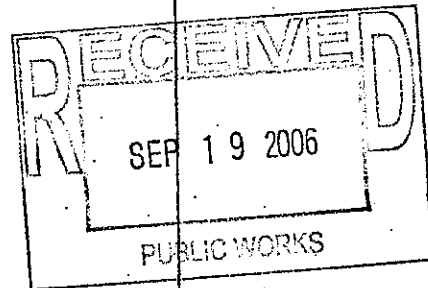
Date: April 6, 2006

Delivery Point
 282 E. Central Ave.
 Lombard, Illinois

Line # 144

Carroll \$36.33

ITEM DESCRIPTION	QUANTITY	UNIT MEASURE	AMOUNT BUDGETED
Rock Salt (Sodium Chloride)	4000	Tons	\$110,000



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

Village President

 TITLE



September 15, 2006

Dear Joint Purchasing Participant:

Subject: 2006-2007 Rock Salt Contract Information

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 Number: PSD 4013848
FEIN: 41-0177680
Cargill Incorporated Salt Division
24950 Country Club Blvd., # 450
North Olmsted, OH 44070
Phone (800) 600-7258
Contract Name: Brett Miller

The contract price per ton, FOB destination, is **\$36.33**. Emergency pickup of salt at vendor's warehouse is available at the price of **\$48.00** per ton. Warehouses are open Monday through Friday, 7 a.m. to 3-4 p.m. Please contact the vendor during regular business hours for the specific warehouse location in your area.

The additional price per ton to have rock salt delivered in trucks equipped with coal/grain chute openings in tailgate to permit the controlled off-loading of rock salt onto conveyors is **\$7.00** per ton.

You are responsible for issuing your purchase order document to the vendor. Order may be placed with your vendor via telephone, with a written or fax copy of 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).

Your governmental unit is responsible for ensuring that the 70% guaranteed purchase requirement is met before the end of the season, June 30, 2007. Vendor is required to furnish not less than 130% (if required) of the requisitioned need by March 1, 2007.

Your governmental unit is responsible for the 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, 2006 through April 1, 2007 shall not exceed seven calendar days. There is not a set delivery time limit for orders placed prior to November 1, 2006.

For orders placed between November 1, 2006 and April 1, 2007, if the vendor is unable to make delivery within seven calendar days, local governmental units shall have the right to retain \$0.20 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 orders 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. 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 truckload\$.

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.

For your protection, the State has secured a performance bond from the contract vendor, valued at 20% of the total contract award.

By December 1, 2006, 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. By January 1, 2007, the contract vendor shall have in place stockpile(s) located in or near Illinois covering 100% of 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.

The contract price shall remain firm for the entire contract period for 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 the quoted price firm, affected 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 quoted 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.

Enhanced rock salt availability:

The Department of Central Management Services requested pricing for an enhanced rock salt, and received an offering from Cargill Salt Company. Their prices are made available to any joint purchasing participant listed in the Cargill rock salt contract.

Locations interested in ordering the enhanced salt option must call the vendor to facilitate ordering arrangements. The prices are made available as an up-charge per ton option and are to be added to your order as a separate line item.

Cargill Salt Division is providing the following pricing structure:

District No. 1 \$13.00 Price up-charge per ton.
District No. 2 \$15.50 Price up-charge per ton.
District No. 3 \$15.00 Price up-charge per ton.
District No. 4 \$14.50 Price up-charge per ton.
District No. 5 \$16.00 Price up-charge per ton.
District No. 6 \$15.50 Price up-charge per ton.
District No. 7 No Bid offered for this district.
District No. 8 \$15.50 Price up-charge per ton.
District No. 9 \$16.00 Price up-charge per ton.

The enhanced salt product will feature additional pre-treatment of approved road salt with a product providing enhanced melting performance, with reduced corrosion and storage clumping.

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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, Buyer
Bureau of Strategic Sourcing and Procurement

GovSalt.doc