



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 5.g

Title:	Recommendation to Authorize the Purchase of Untreated Rock Salt through the State of Illinois Joint Purchasing Program.
Presenter:	AJ Reineking, Public Works Manager

Meeting: Government Services Committee Date: November 25, 2019

Proposed Cost: \$406,250	Budgeted Amount: \$350,500	Not Budgeted: <input type="checkbox"/>
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Executive Summary *(if not budgeted please explain):*

The City recently participated in a joint bid for the purchase of bulk rock salt through the State of Illinois Central Management Joint Purchasing Program. The State’s 2019/2020 contract for untreated rock salt was awarded to Compass Minerals America, Inc. of Overland Park, Kansas at a price of \$81.25 per ton. The City’s order is for 5,000 tons. As in prior years, we will have an obligation to purchase 80% of the order quantity and the supplier is obligated to sell the City a maximum 120% of our order.

NOTE: The City sells bulk salt at our cost to School District 303 and the St. Charles Park District. In the 2018/2019 winter season, this arrangement amounted to 1,053 tons of salt distributed to these jurisdictions.

Attachments *(please list):*

State of Illinois Letter of Intent * Compass Mineral Letter of Intent

Recommendation/Suggested Action *(briefly explain):*

Recommendation to authorize the purchase untreated rock salt from Compass Minerals through the State of Illinois Joint Purchasing Program in the amount of \$81.25 per ton.



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 #: 231
Government Unit: L5170-5170
Mailing Address: CITY OF ST CHARLES
2 EAST MAIN STREET
City / State / Zip: ST CHARLES IL, 60174
County: KANE
Contact Person: MICHAEL SHORTALL
Telephone Number: 1-630-377-4471
Fax Number: 1-630-377-4431
Contact Email: M.SHORTALL@STCHARLESIL.GOV

Date: 3 129 2019

Delivery Point
(Provide Delivery Details To Contract) (Vendor At Time Of Order Placement)
3805 LINCOLN HWY (RT38) ST CHARLES, IL 60175
M.SHORTALL@STCHARLESIL.GOV
< Please provide Email Address < 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 (Total Tonnage)	UNIT MEASURE (22 - 25 Ton / Truck)
AASHTO M143 Road Salt or Equivalent Rock Salt, Bulk	<u>5000</u>	<u>Compass 154 Tons 81.25</u>
Please note your Purchase Commitment Percentage for Total Tonnage Quantity as stated above (choose one): OPTION 1 <input checked="" type="checkbox"/> 80% minimum purchase requirement/120% maximum purchase requirement OPTION 2 <input type="checkbox"/> 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 (Total Tonnage)	UNIT MEASURE (22 - 25 Ton / Truck)
AASHTO M143 Road Salt or Equivalent Rock Salt, Bulk	<u> </u>	<u>Tons</u>
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.
Michael Shortall
SIGNATURE OF AUTHORIZED OFFICIAL OR AGENT

INVENTORY DIV. MANAGER.
TITLE



October 1, 2019

Dear Joint Purchasing Participant:

Subject: 2019 - 2020 Rock Salt, Bulk Contract Information

In completing the 2019 – 2020 Rock Salt season contract re-procurement the State of Illinois did encounter supply-related issues experienced in previous seasons, which resulted in significantly higher pricing. We have made every effort to secure Road Salt at the best available price for participants in our contract solicitation and gladly report the State was able to obtain an offer for your location requirements through the State's procurement efforts.

We again recommend that participating agencies examine their application rates and roadway priorities in order to minimize next season's maintenance program 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, including purchase commitment, can be used to submit your requirements to this year's contract vendor:

BidBuy PO# 20-416CMS-BOSS4-P-12695

Term: 09/27/2019 – 09/26/2020

Compass Minerals America Inc.

FEIN Number: 48-1047632

9900 West 109-th. Street

Overland Park, KS 66210

Phone (800) 323-1641 or (913) 344-9330 Contact Name: Sean Lierz

Your unit is **Contract Line No: _ 154 _ / Price per ton F.O.B. destination, is \$ 81.25**

Emergency pickup of salt from vendor's warehouse is not made available in this 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 was not provided for by this vendor in this season's procurement process.

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 and store as much salt as possible in order to help prevent potential salt shortages this winter.*** Also, you must place orders in full truckload (typically 22-25 tons) delivery quantities or multiples of such.

Your governmental unit is responsible for ensuring that the 80 or 100 percent minimum guaranteed purchase commitment (as noted on your Requisition) is met before the end of the winter season, June 30, 2020. The vendor is required to furnish not less than 120-percent (if needed) of the contract quantity by March 1, 2020. Your governmental unit is responsible for processing 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 December 1, 2019 through April 1, 2020 shall not exceed seven working days, unless as modified in the Order Guidelines herein.

For orders placed between December 1, 2019 and April 1, 2020, if a vendor is unable to make delivery within the order timeline, local governmental units shall have the right to retain as liquidated damages, not as a penalty, 5.% per working-day on the undelivered portion of the order, but not to exceed 50.%. For orders placed prior to 9:00 a.m. on a given day, that day to be considered as the first calendar day of the seven-day delivery period. For an order placed after 9:00 a.m. on a given day, the following day shall 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 a 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 working-days after receipt of order. Quantity ordered above the 20.% threshold shall have an extended deliver time of one-working-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 working-days after receipt of order, the remaining 5 ton should be delivered within 12 working-days after receipt of order.

If after seven working-days of liquidated damages assessment, the vendor has still failed to deliver, local governmental unit shall have the right to terminate an order and purchase road salt or abrasives from another source, or take action consistent with public safety as needed to continue daily business. Any and all additional costs incurred may be collected from the original vendor, in addition to liquidated damages, by participant's legal action.

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

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 2019, the contract vendor shall have in place stockpile(s) located in or near Illinois covering the tonnage awarded for the northern regions of the State, and in January of 2020 the contract vendor shall have in place stockpile(s) in or near to Illinois covering 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 vendor commitments to the stockpiles are with the users of this contract.

Enhanced Rock Salt 2019 - 2020 season availability:

The Department of Central Management Services has surveyed vendors for availability of an enhanced rock salt option in the invitation for bid, and availability was not provided for by this vendor in this season's procurement process.

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, CPPB, Buyer
Bureau of Strategic Sourcing

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/bs/
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  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  Click on Copy of contract (underlined) next to Agency Attachment field to download contract document
To Exit	In BidBuy  Click Exit at bottom of screen
Advanced Search	 Click Exit at bottom of screen to return to BidBuy homepage



October 08, 2019

~~Accounts Payable~~

City of St. Charles
2 E Main St
St Charles, IL 60174-1984

Customer #: H705421

Compass Minerals America Inc. appreciates the opportunity to service your deicing salt requirements for the upcoming season.

You can order via Email (Recommended) or Phone at:

Order Contact

Compass Minerals
Email: highwayorders@compassminerals.com
Tel: 800-323-1641 x1
Fax: 913-433-9616
Hours: M-F, 8:00 - 5:00 pm CST

Depot: Chicago - Calumet
Chicago Export Terminals, LLC
10730 S Burley Ave
CHICAGO, IL 60617
Tel: 773-933-1400

Ship To: City of St. Charles-Kane CO-
Devereaux WA
200 Devereaux Way
St Charles, IL 60174

Destination #: H761606

Ship To: City of St Charles-Kane CO-Lincoln
Hwy
3805 Lincoln Hwy
St Charles, IL 60174

Destination #: H811622

Ship To: City of St Charles - S 7Th Ave
1405 S 7Th Ave
St Charles, IL 60174-1984

Destination #: H969655



Maintaining a sufficient supply of deicing salt is an important step towards a successful winter maintenance program. Frequent and early ordering ensures you have inventory on hand to meet the next snowfall and assists your servicing facility in arranging deliveries at a time convenient to your operation. CUSTOMER PICK UP ORDERS WITH REMAINING BALANCES AFTER 14 DAYS WILL BE SYSTEMATICALLY CANCELLED.

If you would like to receive an order acknowledgement, shipment notification as trucks are shipping and/or invoices via e-mail, please e-mail ACCOUNTDATA@COMPASSMINERALS.COM with the CUSTOMER and DESTINATION number(s) for your account and recipient e-mail address per destination.

Compass Minerals America Inc. recognizes the importance of safe and clean roads. The goal of our organization is to consistently exceed your service and product quality expectations. Please help us to serve you better by contacting the Highway Sales Department at (800) 323-1641 with any questions or comments. Also, if any of the above customer information is incorrect or has changed, please notify us. Thank you again for your business!

Sincerely,
Compass Minerals America Inc.
Highway Sales Department