

**AGENDA**  
**SPECIAL PUBLIC WORKS & UTILITIES COMMITTEE**  
**Village of Hoffman Estates**  
**March 20, 2017**

**Immediately following Transportation & Road Improvement**

Members:	Anna Newell, Chairperson	Gary G. Stanton, Trustee
	Michael Gaeta, Vice Chairperson	Gayle Vandenberg, Trustee
	Gary Pilafas, Trustee	William McLeod, Mayor
	Karen V. Mills, Trustee	

**I. Roll Call**

**NEW BUSINESS**

1. Request authorization for Village to participate in joint purchase with the State of Illinois, State Bid Table A Option #1, for 2017-2018 procurement of road salt, in the amount of 3,000 tons.

**II. Adjournment**

*The Village of Hoffman Estates complies with the Americans with Disabilities Act (ADA). For accessibility assistance call the ADA Coordinator at 847/882-9100.*

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

NB – 1

**SUBJECT:** Request authorization for Village to participate in joint purchase with the State of Illinois, State Bid Table A Option #1, for 2017-2018 procurement of road salt, in the amount of 3,000 tons.

**MEETING DATE:** March 20 , 2017

**COMMITTEE:** Special Public Works & Utilities

**FROM:** Joseph Nebel, Director of Public Works  
Kelly Kerr, Assistant Director of Public Works

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**PURPOSE:** Procurement of road salt for 2017 -2018 winter season.

**BACKGROUND:** 2016-2017 Village salt procurement was through a joint purchase with the State for 3,500 tons at 100%. Past tonnages at 100% and associated costs are as follows:

Year	Amount (tons)	Cost per ton
2016-2017	3,500	\$65.08
2015-2016	3,500	\$65.08
2014-2015	6,960	\$52.31
2013-2014	5,800	\$52.31
2012-2013	2,000	\$53.38
2011-2012	6,000	\$60.33

**DISCUSSION:** On March 3, 2017 the Village received notification from the State of their plan to solicit bids for bulk rock salt in early May /June 2017. Government units contemplating participation in this year's bid are required to submit requisitions, no later than April 1, 2017, or be required to purchase salt on their own.

The amount of \$325,000 was budgeted in FY2017 for this contract purchase. Due to the unpredictability of weather events, it is uncertain exactly how much salt will be applied in any given winter.

At the end of March, it is estimated that approximately 4,000 tons (near 3/4 capacity) will be in storage. This will likely be a sufficient quantity to carry us through the end of this season, as well as November/December 2017. Therefore, it is recommended the Village seek procurement of only 3,000 tons (100%) for the 2017-2018 winter, and begin replenishing our salt stock pile in January 2018.

**FINANCIAL IMPACT:**

Utilizing the 3,000 tons as our 100% purchase commitment quantity, three options are available through the State for our 2016-2017 total purchase commitment: Referenced tables and options appear on the State purchasing requisition (attached).

OPTION	DESCRIPTION
Table A Option #1	Requires a purchase of a minimum of <u>80%</u> (2,400 tons) to a maximum of <u>120%</u> (3,600 tons). This option was utilized for the 2016-2017 as the Village was not eligible for the Table "B" RENEW option last season.
Table A Option #2	Although similar to Option #1, the purchase commitment range narrows to <u>100%</u> minimum and <u>120%</u> maximum. Unit costs can be expected to be slightly lower than Table A Option #1 due to the increase in required minimum purchase quantity.
Table B RENEW Option Recommended	This option allows for the RENEWAL of specific current identified contracts, which the Village is <u>not</u> currently under for the 2017-2018 season.

**RECOMMENDATION:**

Request authorization for Village to participate in joint purchase with the State of Illinois, State Bid Table A Option #1, for 2017-2018 procurement of road salt, in the amount of 3,000 tons.



# ILLINOIS

## JOINT PURCHASING REQUISITION CY'17-'18 New Purchase Commitment

**PLEASE RETURN TO:**  
Illinois Department of  
Central Management Services  
801 Wm. G. Stratton Building  
401 S. Spring Street  
Springfield, IL 62706

Email Address for submission:  
[CMS.BOSS.EC@illinois.gov](mailto: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' 2017-2018 Contract Procurement.  
Notice-> Please complete and return the Contact information below to remain on the mailing list.

Joint Purchasing #: \_\_\_\_\_

Date: 3 / 7 / 2017

Government Unit: Village of Hoffman Estates

Mailing Address: 2305 Pembroke Ave.

City / State / Zip: Hoffman Estates, IL 60169

County: Cook

Contact Person: Kelly Kerr

Telephone Number: 847-781-2704

Fax Number: 847-490-6868

Contact Email: kelly.kerr@hoffmanestates.org

<b>Delivery Point</b>
( Provide Delivery Details To Contract ) ( Vendor At Time Of Order Placement )
<- Please provide Email Address

\*\*\*\*\* 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	UNIT MEASURE
AASHTO M143 Road Salt or Equivalent	( Total Tonnage )	( 22 - 25 Ton / Truck )
<b>Rock Salt, Bulk</b>	<u>3000</u>	<b>Tons</b>
Please note your Purchase Commitment Percentage for Total Tonnage Quantity as stated above (choose one): OPTION 1 <u>XXXX</u> 80.% minimum purchase requirement/120% maximum purchase requirement OPTION 2 _____ 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	UNIT MEASURE
AASHTO M143 Road Salt or Equivalent	( Total Tonnage )	( 22 - 25 Ton / Truck )
<b>Rock Salt, Bulk</b>	_____	<b>Tons</b>
<b>Note:</b> Renewal is available ONLY under Contracts PSD 4018284, 4018285, and 4018286 for prior CY' 2016-2017. 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: Note Current CMS Contract: PSD 4018284 ( ) -or- PSD 4018285 ( ) -or- PSD 4018286 ( )		

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

Village President

TITLE

*Printed on Recycled Paper*



## MEMORANDUM

TO: Local Governmental Units Authorized to Participate in Joint Purchasing

FROM: Lance Traynor, Strategic Sourcing Manager,  
Bureau Of Strategic Sourcing, Commodities & Equipment

DATE: March 01, 2017

SUBJECT: Deadline for Submission of Bulk Rock Salt (Sodium Chloride)  
Requirements for the 2017 - 2018 Winter Season

### Action Required!

The State of Illinois, Bureau of Strategic Sourcing is planning to solicit bids for highway ice control ( bulk rock salt ) in May or June of 2017 for the 2017 - 2018 Winter Season.

Additionally, existing contracts ( PSD 4018284, 4018285, and 4018286 ) contain a renewal option at the sole option of the State. Therefore, if you are a participant within one of these contracts and if your community's intention is to renew, then this must be identified.

**If your unit of government desires to be included** in this year's contract re-procurement solicitation, or wishes to renew one of the existing contracts with a renewal option, **you are required to complete the copy of the attached Joint Purchasing Requisition Form** and return it to the Bureau Of Strategic Sourcing no later than 5:00 P.M. April 01, 2017. Your choice is to "SOLICIT BIDS" or "RENEW" or "not be an active participant" in the State's procurement efforts for the 2017 - 2018 Season. **Note: Timeframe for submission is firm, and will not be extended.**

### The "RENEW" Renewal Process - Utilize Table B

If your governmental entity is a participant under one of the following contracts - ( PSD 4018284, 4018285, and 4018286 ) - and upon receipt of your stated **desire to RENEW** with your updated tonnage quantity requirements, the State will work to finalize renewal on behalf of your governmental entity. Should you choose to renew, all Terms and Conditions shall remain the same as in the present contract, and you will be able to re-state your desired quantities ( with cap on quantity increase not to exceed 20.% more than your past year's quantity ). **Complete Table B ( only )** to indicate your intent to renew and state your desired quantity requirements.

**Note that a Renewal Option is not available** under current contracts ( PSD 4018143, 4018144, 4018145, and 4018146 ) and you should **complete Table A (only)** to indicate your intent to participant, and state your quantity requirements for re-establishment of competitively bid new contract(s) for the 2017 - 2018 Season.

## The "SOLICIT BIDS" ReBid Procurement Process - Utilize Table A

Should a renewal option not exist, or should you wish to participate in the State's bid process for the 2017 - 2018 Season, complete **Table A** (only) to indicate your intent to participate in the bid process, your minimum purchase requirement, and your desired bid quantities as 100.% of your contract commitment.

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

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, in seeking to achieve a highly competitive bid process.

### Anticipated Terms – for the 2017 - 2018 Solicitation

This section applies to those units of government participating in the joint purchase of rock salt contract solicitation. Renewing entities will be governed under the existing contract(s). All participants will be required to abide by the respective contract terms and conditions. The major terms for the upcoming 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 sufficient to service the seasonal needs of the local governmental unit, and may be adjusted as stated herein.
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. ( **Table-A Option** )
  - 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 season ( **June 30, 2018** ).
4. Each governmental unit shall be responsible for issuing their own purchase orders against the resulting contract.
  - 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 quantity of ( 22 - 25 tons ). Requests for a 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, 2017 and the 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, or as mutually agreed upon by the vendor and contract participant.

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 an order placed by local governmental units after December 1.st shall not exceed seven working days, or as modified by Contract Order Guidelines.

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

6. CMS intends to continue to include a liquidated damages clause similar to the following:  
From December 1, 2017 thru April 1, 2018; if the vendor is unable to make delivery within the required working days, governmental units shall have the right to assess and retain a specified amount per ton per calendar day as liquidated damages on the undelivered portion of the order. If after seven days of liquidated damages, 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 2017 the contract vendor(s) shall be required to 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 2018 the stockpile(s) located in or near Illinois covering 100.% of the tonnage awarded for all other regions of the State.
9. The contract price shall remain firm for the entire contract period up to the maximum 120.% guaranteed limit. Local governmental unit requirements over the maximum 120.% purchase threshold will be supplied by the vendor upon mutual agreement of the parties.

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.

## **2016 - 2017 Season Retrospective**

A competitive bid process, essentially unchanged from previous years, was used in the solicitation to meet statewide requirements for over 850 individual participants. This season salt re-procurement did not incur the challenges experienced in the 2014-2015 season and all requirements were fulfilled at bid prices much lower than the weighted average in the prior season.

### **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 **"SOLICIT BIDS"** 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 submittal to ensure that we receive your salt request prior to the deadline. Be sure to include current contact information as requested, including a contact Email Address, for future correspondence. Return your Joint Purchasing Requisition via **Email** as stated below no later than **5:00 p.m. on April 01, 2017**. ( **Deadline is firm**, and will not be extended. )

We thank you for your consideration and welcome your participation in the upcoming bid. 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**  
**401 South Spring Street, Springfield, IL 62706**  
**Phone: (217) 782-8091 Fax: (217) 782-5187**  
**Email Address for submission:**  
**CMS.BOSS.EC@illinois.gov**