Item #11:
Resolution Authorizing Joint Purchase Agreement For Road Salt

VILLAGE OF LONG GROVE
RESOLUTION NO. 2010-R-___
RESOLUTION APPROVING A PURCHASE OF ROCK SALT

WHEREAS, the Village has determined that it desires to purchase rock salt through the State of Illinois Joint Purchasing Requisition Program ("***Rock Salt Purchase***"); and

WHEREAS, the Village Manager has recommended that the Village approve a proposal through the State of Illinois, Bureau of Strategic Sourcing & Procurement Joint Purchasing Requisition for the Rock Salt Purchase in a total expenditure amount not to exceed $84,480.00, which is attached to this Resolution as Exhibit A; and

WHEREAS, the President and Board of Trustees, being fully advised in the premises, have determined that it is in the best interests of the Village and its residents to approve the Recommended Proposal;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1: **Recitals.** The foregoing recitals are hereby incorporated herein as findings of the Village Board of Trustees.

Section 2: **Approval**. The President and Board of Trustees hereby approves the Recommended Proposal at a total expenditure not to exceed $84,480.00 and authorizes the Village Manager to execute a contract therefor; provided that the Village first receives an executed contract in a form acceptable to the Village Manager in consultation with the Village Attorney.

Section 3: **Effective Date**. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law. Passed by the Board of Trustees of the Village of Long Grove, Illinois, on March 9, 2010.

PASSED this 9th day of March, 2010.

AYES: (X)

NAYS: (X)

ABSENT: (X)

APPROVED this 9th day of March, 2010.

_____

Maria Rodriguez, Village President

ATTEST:

_____

Karen Schultheis, Village Clerk

EXHIBIT A

Purchasing Agreement

CMS

ILLINOIS Pat Quinn, Governor
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
James P. Sledge, Director

MEMORANDUM

RECEIVED
FEB 19 2010
VILLAGE OF LONG GROVE

TO: Local Governmental Units Authorized to Participate in Joint Purchasing

FROM: Roger A. Nondorf
Bureau of Strategic Sourcing and Procurement
Portfolio Manager – Commodities & Equipment

DATE: February 16, 2010

SUBJECT: Deadline for Submission of Bulk Road Salt (Sodium Chloride) Requirements for the 2010 - 2011 Winter Season

Action Required!

The State of Illinois, Bureau of Strategic Sourcing & Procurement is planning to solicit bids for highway ice control (bulk road salt) in April of 2010 for the 2010-2011 season.

Additionally, existing contracts 4015782, 4015783, and 4015784 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, then this must be identified.

If your unit of government desires to participate in this year's bid, 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 & Procurement no later than 5:00 p.m. March 19, 2010. Your choice is to do one or the other, or to not be an active participant in the State's procurement efforts for the 2010-2011 season.

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 - 4015782, 4015783, or 4015784; 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 renewal option is not available under contracts 4015380, 4015382 4015389, or 4015393. 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 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 your quantity requirements.

The Procurement Process

Should a renewal option not exist, or should you wish to participate in the State's bid process for the 2009-2010 season, complete Table A (only) to indicate your intent to participate in the bid 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 2010-2011 Solicitation

This section applies to those units of government participating in the joint purchase of 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 2010-2011 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 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.

   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, 2011), and the vendor(s) shall be required to furnish the maximum-% (if required) tons by March 01, 2011.

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, 2010 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, 2010 or orders placed after April 1, 2011.

   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, 2010 thru April 1, 2011; 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 2010 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 2011 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 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.

2009 - 2010 Retrospective

Many of the challenges faced in the 2008-2009 season were not revisited in the 2009-2010 season, as the severe supply issues of the previous season did not materialize.

All requested quantities for all participants were able to be contracted through a single bid effort. In 2008-2009, three bid efforts were necessary to secure desired quantities.

Prices received through the statewide road salt solicitation were lower as a weighted average in 2009-2010 compared to the 2008-2009 season. Comparing year-over-year averages reflect a 19% lower statewide price for the 2009-2010 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 vendors 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 19, 2010. This 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 & Procurement
Room 801 William G. Stratton 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 #: _____ Date: ____ / ____ / 2010

Government Unit: _____

Mailing Address: _____

City / State / Zip: _____

County: _____

Contact Person: _____

Telephone Number: _____

Fax Number: _____

Contact Email: _____

Delivery Point
<- Please provide Email Address

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

Table A: Complete this table to have the State BID for your governmental entity

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

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
AASHTO M143 Road Salt or Equivalent	(Total Tonnage)	(22 – 25 Ton / Truck)	(Local Governmental Use Only)
Road Salt, Bulk	_____	**Tons**	_____

Note: **Renewal is available ONLY under contracts 4015782, 4015783, or 4015784 for the 2010-2011 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 number:
Contract # 4015782 (____) Contract # 4015783 (____) Contract # 4015784 (____)

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 TITLE

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