



August 3, 2011

Dear Joint Purchasing Participant:

Subject: 2011-2012 Rock Salt, Bulk Contract Information

In completing the 2011 – 2012 Rock Salt season contract re-procurement, the State of Illinois did not encounter the types of supply-related issues experienced in previous seasons. We made every effort to secure Road Salt at the best available price for participants in our contract re-procurement, and gladly report that all locations across the State were able to have their supply needs met through the State's procurement efforts.

We again recommend that participating agencies and governmental entities 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:

Contract: PSD 4017035**Term: August 2011 - July 2012**

North American Salt Company

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: 62 / Price per ton F.O.B. destination, is \$ 62.83**
Emergency pickup of salt at vendor's warehouse is available at base price of \$ 75.00 per ton. Warehouses are open Monday through Friday, 7:00 a.m. to 3:00 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 the tailgate to permit controlled off-loading of rock salt onto conveyors is \$ 5.50 per ton. Contact vendor for availability in your area and scheduling deliveries.

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 (22-25 tons) 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, 2012. The vendor is required to furnish not less than 120 percent (if needed) of the contract quantity by March 1, 2012. 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, 2011 through April 1, 2012 shall not exceed seven working days, unless as modified in the Order Guidelines herein..

For orders placed between December 1, 2011 and April 1, 2012, if a vendor is unable to make delivery within the order timeline, local governmental units shall have the right to retain \$.20 per ton per working-day as liquidated damages on the undelivered portion of the order. 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 2011, 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 2012 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 2011 - 2012 season availability from North American Salt Company:

The Department of Central Management Services requested pricing for an enhanced rock salt option in the invitation for bid, and received an offering from North American Salt. Their prices are made available to any joint purchasing participant awarded in the North American Salt Rock Salt Contract as an up-charge per ton option and are to be added to your order as a separate line item. Locations interested in ordering this enhanced salt option must call the vendor to facilitate ordering arrangements.

North American Salt is providing the following Price structure for 2011 – 2012 Season:

IDOT District No. 1 \$ 14.50 Price up-charge per ton.
IDOT District No. 2 \$ 14.50 Price up-charge per ton.
IDOT District No. 3 \$ 14.50 Price up-charge per ton.
IDOT District No. 4 \$ 14.50 Price up-charge per ton.
IDOT District No. 5 \$ 14.50 Price up-charge per ton.
IDOT District No. 6 \$ 14.50 Price up-charge per ton.
IDOT District No. 7 \$ 14.50 Price up-charge per ton.
IDOT District No. 8 \$ 14.50 Price up-charge per ton.
IDOT District No. 9 \$ 14.50 Price up-charge per ton.

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

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

GovSalt.doc



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 #: J.P. 14264-4270

Government Unit: VILLAGE OF ORLAND PARK

Mailing Address: 15655 SOUTH RAVINIA AVENUE

City / State / Zip: ORLAND PARK, ILLINOIS 60462

Country: 1
COOK

Contact Person: EDWARD WILMES

Telephone Number: (708) 403-6350

Fax Number: (708) 403-8798

Contact Email: ewilmes@orland-park.il.us

Date: 03 18 / 2011

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 Solicit Bids for your governmental entity

ITEM DESCRIPTION	QUANTITY	UNIT MEASURE	AMOUNT BUDGETED
<u>NASC 62</u> AASHTO M143 Road Salt or Equivalent	<u>(Total Tonnage)</u>	<u>(22 - 25 Ton / Truck)</u>	<u>(Local Governmental Use Only)</u>
Road Salt, Bulk	<u>5,000</u>	<u>Tons</u>	<u>\$325,000</u>

Please note your Purchase Commitment Percentage for total tonnage quantity stated above (choose one):

- OPTION 1 X 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
<u>AASHTO M143 Road Salt or Equivalent</u>	<u>(Total Tonnage)</u>	<u>(22 - 25 Ton / Truck)</u>	<u>(Local Governmental Use Only)</u>
Road Salt, Bulk	<u> </u>	<u>Tons</u>	<u> </u>

Note: Renewal is available ONLY under contracts 4016216, 4016217, 4016218, 4016219, or 4016220 for the 2011-2012 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:
Contract 4016216 () Contract 4016217 () Contract 4016218 () Contract 4016219 () Contract 4016220 ()

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

Printed on Recycled Paper

VILLAGE MANAGER

TITLE