

Steven Goodkind, P.E.  
Director of Public Works

Patrick Buteau  
Assistant Director  
Parking & Fleet Services



645 Pine Street Suite A  
Post Office Box 849  
Burlington, Vt. 05402-0849  
(802) 863-0460 BUS • (802) 863-0466 FAX  
(802) 863-0450(T.T.Y) For Hearing Impaired  
pbuteau@ci.burlington.vt.us

## MEMORANDUM

To: Board of Finance  
From: Patrick Buteau, Asst. Director  
Subject: Road Salt pricing for fy2011  
Date: August 5, 2010

We have received pricing from Cargill Salt for the upcoming Winter Season that is the same price as quoted to the State of Vermont in their bid process. We would like to piggy back on the State pricing for this product and would request Finance Board and City Council approvals to enter into a contract with Cargill as the total purchases for the season will be in excess of \$100,000.

Based on minimum tonnage provided Cargill, the estimated costs are as follows:

|  |   |                  |
|--|---|------------------|
| 2,500 tons regular road salt @ \$60.96 per ton | = | \$152,400        |
| 150 tons Clearlane @ \$73.15 per ton           | = | <u>\$ 10,972</u> |
| Total.....                                     |   | \$163,372        |

This years price is the same as last years for both products.

Attached are the two Cargill quotes and the State of Vermont bid award as backup documentation.

We have put this out to bid ourselves in past years, but have always come back to the State bid as the lowest price for salt purchases.

This item is concurrent on the City Council agenda.



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8 PROCUREMENT OF ROAD SALT FOR FISCAL YEAR 2011  
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14 In the year Two Thousand Ten.....

15 Resolved by the City Council of the City of Burlington, as follows:

16  
17 That WHEREAS, the City of Burlington Public Works Department annually purchases road  
18 salt for its Winter Snow & Ice maintenance program; and

19 WHEREAS; the City has been able to take advantage of the State of Vermont bid prices  
20 for this product; and,

21 WHEREAS; Cargill Salt has been awarded the State Road Salt contract for 2010 -2011;  
22 and

23  
24 WHEREAS; Cargill Salt has extended the same price to the City of Burlington;

25  
26 NOW, THEREFORE, BE IT RESOLVED that Steven Goodkind, Director of Public  
27 Works or his designee is authorized to enter into a contract with Cargill Salt for the quoted price  
28 of \$60.96 per ton for regular road salt and \$73.15 per ton for "Clearlane" treated salt for the 2010  
29 - 2011 year.  
30





Deicing Technology  
 24950 Country Club Blvd, Suite 450  
 North Olmsted, OH 44070  
 Phone: 440-716-4774, Fax: 952-404-6283

Monday, July 19, 2010

Customer Number: 60029005

BURLINGTON CITY OF VT - D5  
 PATRICK BUTEAU  
 645 PINE ST  
 BURLINGTON, VT 05401

Cargill Inc. is pleased to submit the following quote for your DEICING SALT needs for the 2010/2011 season.

**Price Basis**

Terminal: 522201 - Burlington VT  
 Product: N997 - Bulk Deicing Salt  
 MDU: Delivered 60.96 per ton  
 2010/2011 Estimated Tons: 2500

**PLEASE SIGN AND RETURN THIS QUOTE LETTER TO MY ATTENTION WITH IN 21 DAYS FROM DATE OF LETTER. WE CANNOT UPDATE YOUR ACCOUNT FOR THIS YEAR WITHOUT THE SIGNED QUOTE LETTER.**

**THIS QUOTE DOES NOT CONSTITUTE AN ORDER!** To place an order or if you have any questions, concerning your account, please feel free to contact our Customer Service Department at 1-800-600-7258.

\*Delivered products will ship in standard truckloads. \*\*Pickup products will be made in minimum 10-ton loads.

You must wait 24 hrs after order date to pick up product. Pickup orders with inactivity of more than 30 days may be cancelled.

**TERMS AND CONDITIONS**

Your payment terms are Net 30. Provided this price quote letter is signed and returned within 21 days from the date above. Cargill agrees to hold the pricing firm from July 19, 2010 through April 30, 2011. However, if you are awarded products under a governmental bid or contract, then the pricing in this quote letter shall be null and void and you shall be required to follow the terms of the governmental contract. The tonnage figure is an estimate only AND IS SUBJECT TO AVAILABILITY. Cargill has the right to terminate this quote letter at anytime if Cargill runs out of product due to commitments to government customers. Either party in regard to estimated tonnages assumes no obligation. This quotation assumes normal operating conditions at Cargill's terminals and production facilities. Cargill reserves the right to decline orders/shipments for any reasons relating to conditions at the terminals/production facilities, weather conditions, or any other reason that may affect Cargill's ability to accept orders. Estimated delivery time is **three to five days after release of an order**. This quote assumes that product will be delivered from or picked up at the terminal set forth above. Sourcing of products from another Cargill facility is subject to availability and additional fees that may be applied to your account. Cargill's sale of product is expressly conditional upon Customer's acceptance of the attached terms and conditions. Any terms which may exist on the Customer's standard purchase order (or similar forms) and which alter or are inconsistent with the terms and conditions will be of no legal force or effect and will not govern the transaction contemplated by this letter.

Thank you for the opportunity to be of service. We are looking forward to supplying your salt needs.

Cargill Inc. - Deicing Technology Business Unit

ACCEPTED

*Annette Cillian*

Signature : \_\_\_\_\_

Annette Cillian

Name : \_\_\_\_\_

Sales Account Manager

Title : \_\_\_\_\_

Email Address: \_\_\_\_\_

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Monday, July 19, 2010

Customer Number: 60029005

BURLINGTON CITY OF VT - D5  
 PATRICK BUTEAU  
 645 PINE ST  
 BURLINGTON, VT 05401

Cargill Inc. is pleased to submit the following quote for your DEICING SALT needs for the 2010/2011 season.

**Price Basis**

Terminal: 522924 - White River Jct VT  
 Product: 8545 - Clearlane® Enhanced Deicer  
 MDU:Delivered 73.15 per ton  
 2010/2011 Estimated Tons: 150

**PLEASE SIGN AND RETURN THIS QUOTE LETTER TO MY ATTENTION WITH IN 21 DAYS FROM DATE OF LETTER. WE CANNOT UPDATE YOUR ACCOUNT FOR THIS YEAR WITHOUT THE SIGNED QUOTE LETTER.**

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Thank you for the opportunity to be of service. We are looking forward to supplying your salt needs.

Cargill Inc. - Deicing Technology Business Unit

ACCEPTED

*Annette Cillian*

Signature: \_\_\_\_\_

Annette Cillian

Name: \_\_\_\_\_

Sales Account Manager

Title: \_\_\_\_\_

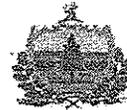
Email Address: \_\_\_\_\_

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# CONTRACT

**State of Vermont**  
 Buildings and General Services  
 Office of Purchasing & Contracting  
 10 Baldwin St  
 Montpelier VT 05633-7501  
 USA



**Vendor ID 0000008897**  
**Cargill Inc**  
**24950 Country Club Blvd Ste 450**  
**N Olmstead OH 44070**  
**USA**

|   |                                |  |
|---|--------------------------------|--|
| <b>Contract ID</b><br>0000000000000000000015500   |                                | <b>Page</b><br>1 of 3                      |
| <b>Contract Dates</b><br>07/09/2009 to 06/30/2011 |                                | <b>Origin</b><br>CPS                       |
| <b>Description:</b><br>Road Salt                  |                                | <b>Contract Maximum</b><br>\$99,999,999.00 |
| <b>Buyer Name</b><br>Dona Bosley                  | <b>Buyer Phone</b><br>828-2217 | <b>Contract Status</b><br>Approved         |

**Phone #: 916-786-3800**

| Line # | Item ID | Item Desc  | UOM | Unit Price | Max Qty | Max Amt |
|--------|---------|--|-----|------------|---------|---------|
| 1      | 9324    | ROAD MAINTENANCE SALT/DISTRICT #2: BULK, FOR DE-ICING PAVEMENT AND OTHER WINTER MAINTENANCE ACTIVITIES.TYPE I, GRADE 1, TO COMPLY WITH AASHTO M 143, EXCEPT THAT MOISTURE CONTENT SHALL NOT EXCEED 1% AT POINT OF DELIVERY | TON | 61.48000   | 0.00    | 0.00    |
| 2      | 9325    | ROAD MAINTENANCE SALT/DISTRICT #3: BULK, FOR DE-ICING PAVEMENT AND OTHER WINTER MAINTENANCE ACTIVITIES.TYPE I, GRADE 1, TO COMPLY WITH AASHTO M 143, EXCEPT THAT MOISTURE CONTENT SHALL NOT EXCEED 1% AT POINT OF DELIVERY | TON | 62.43000   | 0.00    | 0.00    |
| 3      | 9327    | ROAD MAINTENANCE SALT/DISTRICT #5: BULK, FOR DE-ICING PAVEMENT AND OTHER WINTER MAINTENANCE ACTIVITIES.TYPE I, GRADE 1, TO COMPLY WITH AASHTO M 143, EXCEPT THAT MOISTURE CONTENT SHALL NOT EXCEED 1% AT POINT OF DELIVERY | TON | 60.96000   | 0.00    | 0.00    |
| 4      | 9329    | ROAD MAINTENANCE SALT/DISTRICT #7: BULK, FOR DE-ICING PAVEMENT AND OTHER WINTER MAINTENANCE ACTIVITIES.TYPE I, GRADE 1, TO COMPLY WITH AASHTO M 143, EXCEPT THAT MOISTURE CONTENT SHALL NOT EXCEED 1% AT POINT OF DELIVERY | TON | 64.18000   | 0.00    | 0.00    |
| 5      | 9330    | ROAD MAINTENANCE SALT/DISTRICT #8: BULK, FOR DE-ICING PAVEMENT AND OTHER WINTER MAINTENANCE ACTIVITIES.TYPE I, GRADE 1, TO COMPLY WITH AASHTO M 143, EXCEPT THAT MOISTURE CONTENT SHALL NOT EXCEED 1% AT POINT OF DELIVERY | TON | 62.45000   | 0.00    | 0.00    |
| 6      | 9331    | ROAD MAINTENANCE SALT/DISTRICT #9: BULK, FOR DE-ICING PAVEMENT AND OTHER WINTER MAINTENANCE ACTIVITIES.TYPE I, GRADE 1, TO COMPLY WITH AASHTO M 143, EXCEPT THAT MOISTURE CONTENT SHALL NOT EXCEED 1% AT POINT OF DELIVERY | TON | 65.97000   | 0.00    | 0.00    |

**CONTRACT TERMS AND ADDITIONAL INFORMATION**

THIS CONTRACT IS ISSUED IN ACCORDANCE WITH THE STATE OF VERMONT RFP FOR ROAD SALT FOR DISTRICTS 2, 3, 5, 7, 8, & 9 ISSUED JUNE 12, 2009 AND VENDOR'S RESPONSE DATED JUNE 23, 2009 WITH THE UNDERSTANDING THAT CARGILL INC. WILL MEET ALL DETAILED REQUIREMENTS COVERED IN SECTION 2 OF THE RFP FOR BOTH THE STATE AND PARTICIPATING TOWNS AND CITIES PER THE ATTACHED LIST.

STATE OF VERMONT ATTACHMENT C: STANDARD STATE CONTRACT PROVISIONS DATED JANUARY 8, 2009 AND ATTACHMENT D: COMMODITY PURCHASES TERMS AND CONDITIONS DATED DECEMBER 8, 2008 ARE ATTACHED AND INCORPORATED AS PART OF THIS ORDER.

SCOPE OF CONTRACT: ROAD SALT FOR DISTRICTS 2, 3, 5, 7, 8, & 9

CONTRACT PERIOD: THIS CONTRACT IS WRITTEN FOR AN INITIAL ONE-YEAR TERM ENDING 6/30/2010 WITH OPTIONS TO EXTEND FOR TWO ADDITIONAL ONE-YEAR TERMS. PRICES TO REMAIN FIRM THROUGH JUNE 30, 2010 EXCEPT FOR FUEL PRICE ADJUSTMENTS.

