



STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

MANAGEMENT AUDIT OF
THE DEPARTMENT OF
CENTRAL MANAGEMENT SERVICES'
2008 JOINT PROCUREMENTS OF
BULK ROCK SALT

JUNE 2009

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OFFICE OF THE AUDITOR GENERAL
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*To the Legislative Audit Commission, the
Speaker and Minority Leader of the House
of Representatives, the President and
Minority Leader of the Senate, the members
of the General Assembly, and
the Governor:*

This is our report of the Management Audit of CMS' Joint Purchasing Procurements of bulk rock salt in 2008.

The audit was conducted pursuant to Legislative Audit Commission Resolution Number 138, which was adopted December 11, 2008. This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

The audit report is transmitted in conformance with Section 3-14 of the Illinois State Auditing Act.

A handwritten signature in black ink, appearing to read "William G. Holland". The signature is stylized and includes a long, sweeping line that extends upwards and to the right.

WILLIAM G. HOLLAND
Auditor General

Springfield, Illinois
June 2009

REPORT DIGEST

MANAGEMENT AUDIT OF

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Released: June 2009



State of Illinois
Office of the Auditor General

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AUDITOR GENERAL

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SYNOPSIS

On December 11, 2008, the Legislative Audit Commission adopted Resolution Number 138 directing the Auditor General to conduct a management audit of the Department of Central Management Services' joint purchasing procurements of bulk rock salt in 2008.

Auditors concluded that some actions taken by CMS for the 2008 joint procurement of bulk rock salt were not in accordance with the Illinois Procurement Code and CMS' administrative rules.

- CMS allowed one vendor (Cargill) to **significantly** change the terms and conditions of its bid **after** the bid opening. The price per ton bid by Cargill was significantly lower than those bid by the other vendors. Changing these terms reduced the potential amount of salt the vendor would be required to provide pool participants by approximately **300,000 tons or \$16.5 million**. Other bidders were not afforded the opportunity to change their terms and conditions.
- A public record of the bid opening was not contained in the procurement files for the first solicitation.
- For the second solicitation there was no written determination in the procurement files regarding decisions to allocate salt alternatives.

CMS did not hold vendors to some requirements contained in the terms and conditions of the Invitations for Bid. These included submitting proof of stockpiling and performance bonds.

CMS should consider changes to the procurement process including:

- Issuing the joint procurement Invitation for Bid earlier.
- Changing the basis of award.
- Changing guaranteed percentage requirements.
- Extending the deadlines for stockpiling.
- Holding a bidder's conference.
- Requiring bid bonds and reviewing performance bond requirements.
- Reviewing delivery requirements and times.
- Reviewing the liquidated damages provisions.

CMS also needs to improve its communications with local government participants by providing full disclosure of terms and conditions, providing accurate information in communications and memos, and giving local governments adequate time to make decisions.

REPORT CONCLUSIONS

The Department of Central Management Services (CMS) administers the Joint Purchasing Program for the State. The purpose of the Joint Purchasing Program is to allow units of local government to participate in State negotiated contracts, and thereby take advantage of State contract pricing which should result in procurement savings to local governments.

On June 20, 2008, CMS issued its first solicitation for bids for the 2008 joint procurement of bulk rock salt for State agencies and other local governmental units. The bids were opened July 16, 2008. Unlike in previous years, some parts of the State did not receive bids, while other participants experienced **significant** increases in their bid price. Parts of the State that did not receive bids included local governments, Illinois Department of Transportation locations, and Illinois State Toll Highway Authority locations in Cook, Lake, McHenry, and Boone counties. The Statewide average price for the first solicitation was \$67.63 per ton. However, bid prices ranged from a low of \$46.78 per ton for St. Clair County to \$140.61 per ton for Effingham County.

A second solicitation was issued by CMS on July 25, 2008, and bids were opened on August 12, 2008. Although more locations received bids for salt, the prices averaged \$117.29 per ton and ranged from a low of \$96.18 to a high of \$168.03 per ton. There were also still locations in McHenry County and Lake County that did not receive bids. CMS eventually procured \$8.6 million of rock salt through an emergency purchase for these remaining locations at a price of \$138.52 per ton.

In addition to CMS' procurements, the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA) each issued emergency purchases. IDOT, through two emergency procurements, purchased an additional \$9.6 million of rock salt at \$138.52 per ton. ISTHA through two more emergency procurements purchased an additional \$2.8 million of rock salt at \$138.52 and \$151.52 per ton.

CMS' 2007 joint procurement of bulk rock salt totaled \$57 million. In all, the 2008 CMS joint procurements and emergency purchases entered into by CMS, IDOT, and ISTHA resulted in nearly \$129 million in contracts with salt vendors or a **126 percent increase** over the previous year. The average price per ton increased from \$41.06 for 2007 to \$67.63 for the first solicitation in 2008 or a 65 percent increase.

Some actions taken by CMS for the 2008 joint procurement of bulk rock salt were not in accordance with the Illinois Procurement Code and CMS' administrative rules.

- CMS allowed one vendor (Cargill) to **significantly** change the terms and conditions of its bid **after** the bid opening, which is not allowable under the Illinois Procurement Code (30 ILCS 500/20-10). Cargill won a large amount of bids (over 1 million tons) and expressed concern that it might be unable to meet its obligations. CMS reduced the maximum amount of rock salt a State or local entity could purchase from Cargill from 130 percent in the Cargill contract terms, to 100 percent, in effect giving up claim to 30 percent of the most reasonably priced salt in the State. We determined that changing these terms reduced the potential amount of salt the vendor would be required to provide pool participants by approximately **300,000 tons or \$16.5 million**. CMS also changed ordering and delivery guidelines and extended stockpiling dates for Cargill. Other bidders were not afforded the opportunity to change their terms and conditions.
- A public record of the bid opening, as is required by the Illinois Procurement Code and CMS' administrative rules (30 ILCS 500/20-10(d) and 44 Ill. Adm. Code 1.2010(i)), was not contained in the procurement files for the first solicitation.
- For the second solicitation there was no written determination in the procurement files regarding decisions to allocate salt alternatives. Because there was more demand than supply for one offer, CMS had to allocate the product to participants. The salt alternative was allocated so that IDOT locations received 100 percent of their requested amounts while local government participants received approximately 27 percent of their requested amounts. There was nothing in the procurement files to show the basis of the award, the methodology used to determine the allocation, or who made this decision.

CMS did not hold vendors to some requirements contained in the terms and conditions of the Invitations for Bid (IFB). These included:

- Proof of stockpiling was not submitted as required by the IFB terms and conditions.
- Bonds were not submitted to secure the three contracts issued under the second solicitation as was required by the IFB terms and conditions. As a result, a total of \$16,586,206 in contracts

was not secured with performance bonds putting the State and local governments at risk of non-performance.

CMS did not adequately protect the financial interest of at least two local governments during the second solicitation process. By the time CMS was informing local governments of their price per ton as a result of the second solicitation, CMS was aware of the \$138.52 per ton price offer pursuant to its emergency procurement. At least one local community (Deerfield) rejected its bid of \$143.82 per ton for enhanced salt received for the second solicitation and procured salt through the CMS emergency purchase. By doing this it saved the community approximately \$10,600. However, we identified two other local governments in McHenry County (city of Woodstock and the McHenry County Highway Department) that also could have rejected their bids received under the second solicitation and received better pricing through the emergency purchase. Procuring salt through the emergency purchase could have saved these communities a total of \$137,544.

Through our review of CMS' 2008 joint procurement, we identified several changes CMS should consider.

- Issuing the joint procurement Invitation for Bid earlier and monitoring when other states are issuing their invitations for bid in order to avoid going out for bid after the supply has been committed to other states.
- Changing the basis of award to consider aggregating smaller counties and dividing larger counties in order to encourage bidding.
- Changing guaranteed percentage requirements.
- Extending the deadlines for stockpiling and reviewing the percentage requirements.
- Holding a bidder's conference to speak with potential vendors in order to identify any potential problems prior to bidding and to review significant changes from the prior year's IFB.
- Requiring bid bonds in order to guarantee that a potential bidder will proceed with the contract and reviewing performance bond requirements to ensure they are sufficient to protect the State's interest.
- Reviewing delivery requirements and delivery times to allow more flexibility or other possible changes.

- Reviewing the liquidated damages for delivery and out of specifications to determine if these are appropriate and set at levels sufficient to protect the State and pool participants without discouraging competition.
- Issuing a multi-year contract or adding more aggressive renewal provisions.
- Adding a fuel adjustment clause with escalation and de-escalation provisions.
- Establishing delivery points with optional pick-up for local communities.

Other states that we surveyed also experienced problems in obtaining rock salt for the 2008-2009 winter season. Most states experienced areas with no bids and/or substantially increased prices resulting in some states rejecting bids for locations and counties. There are many factors that affect pricing from state to state, and even within this State, including supply and demand, contract terms, and transportation costs among others. Recognizing that there are many factors that impact comparability of prices paid by various states, Illinois paid slightly more on average per ton than other states we surveyed.

We surveyed non-participants including some that had participated in the CMS joint procurement in the past. The amount paid by non-participants we surveyed varied greatly just as it did for those that participated in the joint procurement. Some non-participants surveyed simply did not purchase salt this year. Non-participants suggested CMS do the following to improve the procurement process:

- Aggregate communities.
- Go out for bids earlier.
- Provide a quicker response to deliveries of salt when ordered.
- Not award contracts unless all counties are given ample time to submit requests.
- Level the playing field regarding pricing and delivery charges.
- Tell participants when they are not in the joint procurement.

CMS needs to improve its communications with local government participants by providing full disclosure of terms and conditions, providing accurate information in communications and memos, and giving local governments adequate time to make decisions. CMS did not provide the full terms and conditions of the Invitation for Bid to participants. CMS

also provided terms to local governmental participants in memos, then changed these terms. CMS gave local government participants very short timeframes to make decisions related to commitments for the procurement. Some local governments we contacted were not aware they could participate in the joint procurement (city of Carthage), while others claimed that they thought they were participating (village of Camp Point) or that CMS had lost or misplaced their requests to participate (city of Charleston).

BACKGROUND

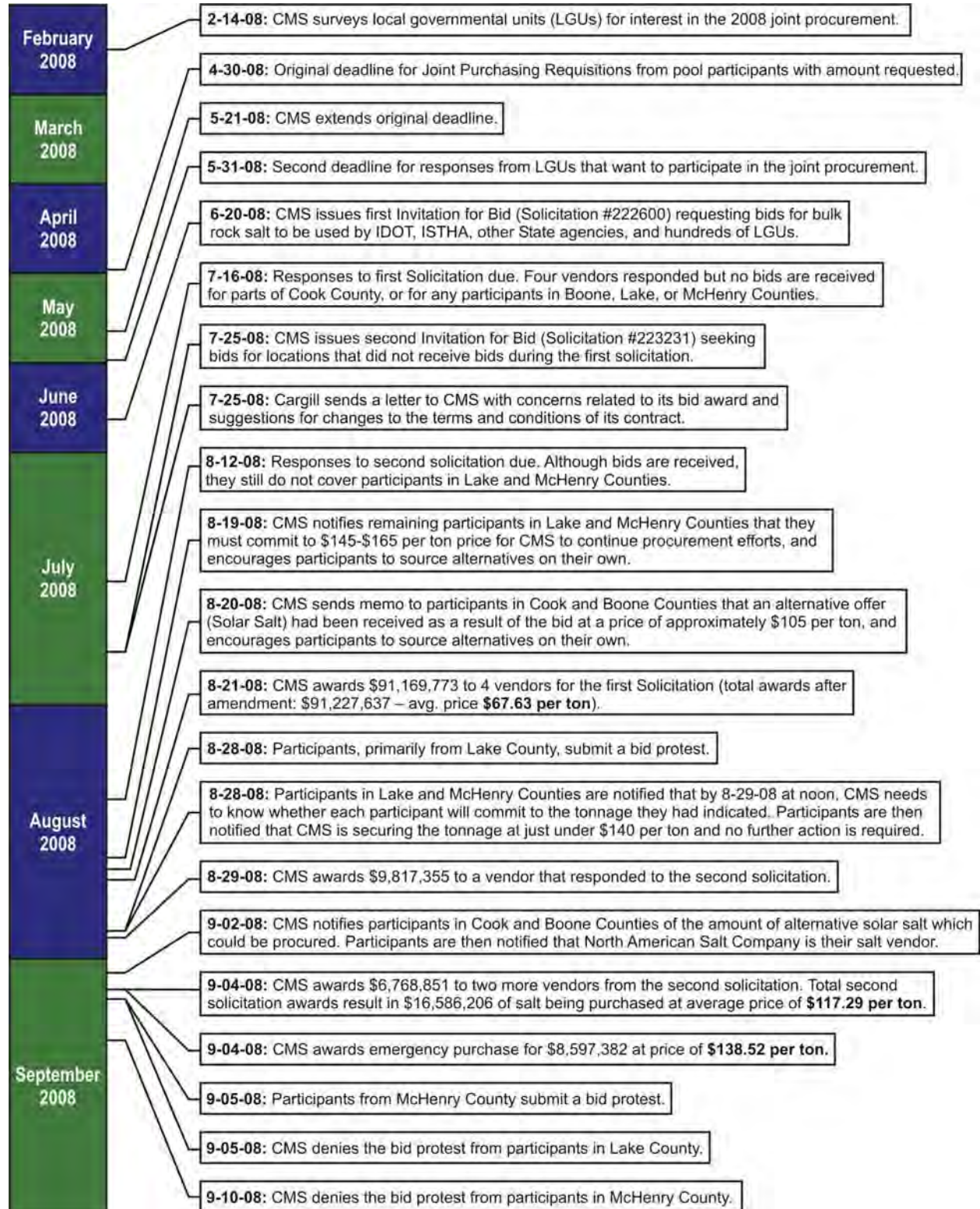
On June 20, 2008, CMS issued its first solicitation for bids for the 2008 joint procurement of bulk rock salt for State agencies and other local governmental units. The bids were opened July 16, 2008. Unlike in previous years, some parts of the State did not receive bids, while other participants experienced significant increases in their bid price. Parts of the State that did not receive bids included local governments, Illinois Department of Transportation locations, and Illinois State Toll Highway Authority locations in Cook, Lake, McHenry, and Boone counties. The Statewide average price for the first solicitation was \$67.63 per ton. However, bid prices ranged from a low of \$46.78 per ton for St. Clair County to \$140.61 per ton for Effingham County.

On June 20, 2008, CMS issued its first solicitation for bids for the 2008 joint procurement of bulk rock salt for State agencies and other local governmental units.

A second solicitation was issued by CMS on July 25, 2008 and bids were opened on August 12, 2008. Although more locations received bids for salt, the prices averaged \$117.29 per ton and ranged from a low of \$96.18 to a high of \$168.03. There were also still locations in McHenry County and Lake County that did not receive bids. CMS eventually procured \$8.6 million of rock salt through an emergency purchase for these remaining locations at a price of \$138.52 per ton. Digest Exhibit 1 shows a timeline of the procurement process for CMS' 2008 joint procurements of bulk rock salt.

In addition to CMS' procurements, the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA) each issued emergency purchases. IDOT, through two emergency procurements, purchased an additional \$9.6 million of rock salt at \$138.52 per ton. ISTHA, through two more emergency procurements, purchased an additional \$2.8 million of rock salt at \$138.52 and \$151.52 per ton. In all, the 2008 CMS joint procurements and emergency purchases entered into by CMS, IDOT, and ISTHA resulted in nearly \$129 million in contracts with salt companies or a **126 percent increase** over the previous year. CMS' 2007 joint procurement of bulk rock salt totaled \$57 million. (pages 4-6)

Digest Exhibit 1
TIMELINE OF 2008 JOINT PROCUREMENTS OF BULK ROCK SALT



Source: OAG analysis of CMS information.

2008 BULK ROCK SALT JOINT PROCUREMENT

CMS was responsible for preparing the Invitations for Bid documents, receiving bids, opening the bids, determining the lowest bid, and awarding and signing the contracts for the 2008 joint procurement of bulk rock salt.

First Solicitation (#222600)

On June 20, 2008, CMS solicited bids for bulk rock salt for 630 joint participants. These 630 participants included a total of 762 locations throughout the State. These locations included local governmental units (616 locations), the Illinois Department of Transportation (119 locations), the Illinois State Toll Highway Authority (15 locations), and other State agencies (12 locations). The first solicitation included 892 bid lines for these 762 locations because some locations requested initial and seasonal delivery separately. In total the first solicitation requested a total of over 1.8 million tons of rock salt. The majority of the salt requested was for local governmental units (57%).

Bids were opened on July 16, 2008. Of the 1.8 million tons of salt requested, 74.48 percent of the tonnage was awarded. The first solicitation resulted in four vendors receiving contracts for a total of \$91 million for 1,348,829 tons of rock salt with a weighted average price of \$67.63 per ton. The weighted average price paid for the first solicitation in 2008 represents a 65 percent increase over the previous year's weighted average price of \$41.06 per ton.

Digest Exhibit 2 shows the winning bid price for the first solicitation and vendor for each county. As is shown in the Exhibit, the prices ranged from a low of \$46.78 per ton in St. Clair County to a high of \$140.61 per ton in Effingham County.

Second Solicitation (#223231)

According to our analysis, 191 bid lines did not receive bids for a total of 462,197 tons of salt in the 2008 first solicitation. On July 25, 2008, CMS issued a second Invitation for Bid for the locations that did not receive bids. Bids for the second solicitation were due August 12, 2008. The second solicitation resulted in three vendors receiving contracts for a total of \$16,586,206 with an average price of \$117.29 per ton. Of the 191 bid lines in the second solicitation, 100 bid lines involving 96 locations did not receive a bid again.

The first solicitation resulted in four vendors receiving contracts for a total of \$91 million for 1,348,829 tons of rock salt with a weighted average price of \$67.63 per ton.

191 bid lines did not receive bids for a total of 462,197 tons of salt in the 2008 first solicitation.

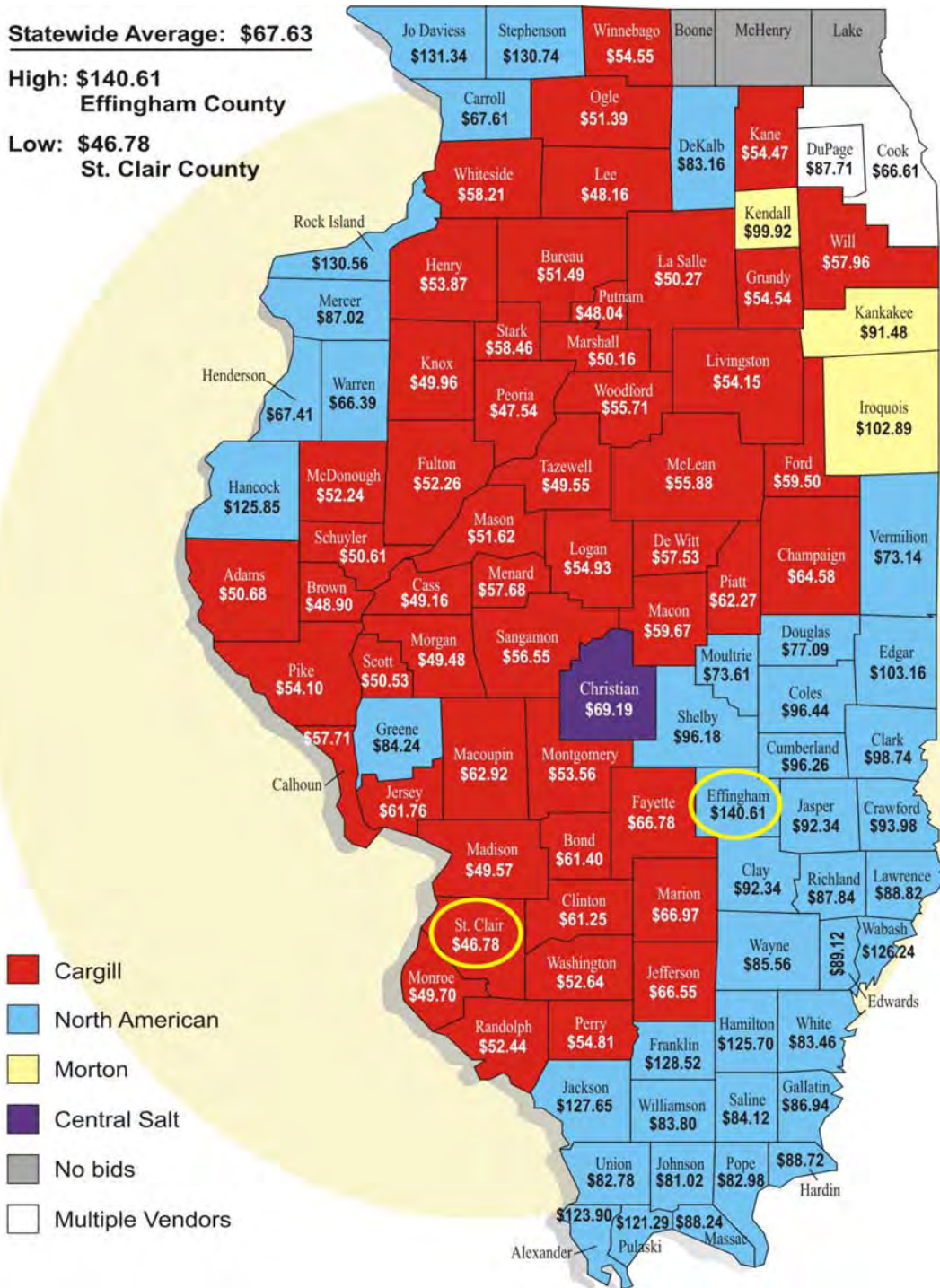
The second solicitation resulted in three vendors receiving contracts for a total of \$16,586,206 with an average price of \$117.29 per ton.

Digest Exhibit 2
WINNING BIDDER AND PRICE BY COUNTY
 (First solicitation only)

Statewide Average: \$67.63

High: \$140.61
Effingham County

Low: \$46.78
St. Clair County



Notes: Cook County was awarded by locations and did not receive bids for all locations. The average for Cook County represents a weighted average for those locations that received bids for all vendors. DuPage County was awarded by location and the average represents a weighted average for all locations and all vendors. The Statewide average also represents a weighted average.

Source: OAG analysis of bids for solicitation #222600.

Emergency Purchase (#223393)

After two solicitations, locations in Lake and McHenry counties still had not received bids. These participants were notified August 15, 2008, that no bids had been received for their locations. CMS awarded an emergency purchase to International Salt Company on September 4, 2008, for the purchase of 62,066 tons of rock salt for locations in Lake and McHenry counties for \$8,597,382 or \$138.52 per ton.

Summary of Solicitations

Digest Exhibit 3 shows an overview of all three of the CMS solicitations that were part of the 2008 joint procurement of rock salt. In all, the three CMS solicitations resulted in more than 1.5 million tons of rock salt with an average price per ton of \$75. (pages 9-17)

Digest Exhibit 3 SUMMARY OF CMS' SOLICITATIONS RELATED TO THE 2008 JOINT PROCUREMENT OF BULK ROCK SALT				
	First Solicitation (#222600)	Second Solicitation (#223231)	Emergency Purchase (#223393)	Total
Number of Vendors	4	3	1	5
Tons Awarded	1,348,829	141,415	62,066	1,552,310
Total Contract \$	\$91,227,637	\$16,586,206	\$8,597,382	\$116,411,225
Average Price/Ton	\$67.63	\$117.29	\$138.52	\$74.99
Source: OAG analysis of CMS awards for solicitations #222600, #223231, and #223393.				

**COMPLIANCE WITH STATE LAWS AND
AGENCY RULES**

We found that CMS did not comply with some requirements in the Illinois Procurement Code and its administrative rules. These included changing the terms and conditions of the Invitation for Bid after bids were opened for the first solicitation, keeping a record of the bid opening in the procurement files for the first solicitation, and having a written determination of the basis of award for the second solicitation.

Changes to Terms and Conditions After Bid Opening

CMS allowed one vendor (Cargill) to significantly change the terms and conditions of its bid after the bid opening, which is not allowable under the Illinois Procurement Code (30 ILCS 500/20-10).

Other bidders were not afforded the opportunity to change their terms and conditions.

Cargill won the majority of bids for the State totaling approximately 1.3 million tons of salt at the 130 percent maximum.

The CMS 2008 joint procurement of bulk rock salt Invitation for Bid contained a min/max provision of 70/130. This means that the purchaser (State or local government pool participants) agreed to purchase at least 70 percent of the amount bid but reserved the right to purchase up to 130 percent of the amount bid. When bids for the first solicitation were opened on July 16, 2008, Cargill won the majority of bids for the State totaling approximately 1.3 million tons of salt at the 130 percent maximum. The price per ton bid by Cargill was significantly lower than those bid by the other vendors. On July 25, 2008, Cargill officials, through an e-mail and letter to CMS officials, expressed concern regarding the tonnage that they were awarded and stated that it may be difficult to succeed unless CMS and Cargill work together to reach a compromise on the final contract.

When we contacted Cargill, officials stated that they were concerned that they could not meet the awarded commitment. From CMS e-mails, Cargill's concern was being able to fulfill the 130 percent requirement for the total tonnage as well as the potential for delivery damages. Cargill's July 25, 2008, letter lists the issues of most concern as the January 1st inventory requirement, the 130 percent maximum, and late delivery penalty implications. Cargill also made recommendations to CMS that would give them a "greater comfortable (sic) level as it pertained to the tonnage." These recommendations included changing the maximum tonnage supplied to 1 million tons. Cargill also stated that it would be "willing to supply salt to areas where the State received no-bids," with the understanding that tons designated for no bid areas would be subtracted from the 1 million overall tonnage. Cargill also recommended extending stockpiling dates and wanted the State to waive all late delivery penalties.

Quantities and Guaranteed Purchases Revised

CMS changed the maximum in the Cargill contract terms to 100 percent, in effect giving up claim to 30 percent of the most reasonably priced salt in the State.

One of the changes CMS made to the terms and conditions of the Cargill contract was revising the maximum amount that could be purchased under the contract. CMS changed the maximum in the Cargill contract terms to 100 percent, in effect giving up claim to 30 percent of the most reasonably priced salt in the State. Cargill was awarded 1,000,919 tons of salt for the first solicitation. We determined that changing these terms reduced the potential amount of salt the vendor would be required to provide pool participants by approximately **300,000 tons or \$16.5 million.**

During the previous year's solicitation, a different salt vendor (North American Salt) won the majority of bids for a similar amount

(1,051,809 tons) according to CMS' IllinoisBID system. However, no changes were made to the terms and conditions of the Invitation for Bid in 2007. Had CMS held Cargill to the original terms of its bid, this salt could have potentially been used by entities that did not receive bids. According to correspondence between Cargill and CMS, Cargill was willing to provide salt to the areas with no bids but wanted the total tonnage for the contract limited. CMS neither held Cargill to the original terms of the Invitation for Bid nor was able to utilize Cargill to obtain salt for areas of the State that did not receive bids.

Ordering and Delivery Dates Revised

CMS changed the ordering and delivery dates in the Invitation for Bid to extend delivery dates for Cargill by approximately six weeks. The Invitation for Bid and the contracts with other vendors required that State agencies and local governmental units could purchase up to 50 percent of their estimated order requirements prior to **October 31, 2008**. Cargill's contract terms changed this date to **December 15, 2008**.

Stockpiling Requirements Revised

CMS also extended stockpiling requirements from the original terms contained in the Invitation for Bid giving Cargill approximately three additional months to meet the 100 percent requirement. The Invitation for Bid required vendors to have stockpiles of rock salt in Illinois or near its boundaries in sufficient quantities to satisfy 100 percent of the contractual requirements by **December 1, 2008, and January 1, 2009**, depending on the location in the State. Cargill's contract terms were changed so that 100 percent of the amount was not required to be stockpiled until **March 1, 2009**.

Liquidated Damages

Seasonal ordering guidelines affected the application of delivery timelines and assessment of liquidated damages. Cargill was also given a longer timeline for ordering compared to the Invitation for Bid and other bidders. The Invitation for Bid and all contracts including Cargill's included ordering guidelines. However, Cargill's contract terms added new provisions for ordering guidelines, and because the ordering guidelines were extended, liquidated damages could not be assessed beyond those parameters. A provision was also added to Cargill's contract that allowed CMS to mitigate application of liquidated damages imposed against the vendor, in the event of orders exceeding the maximum percentages.

CMS changed the ordering and delivery dates in the Invitation for Bid to extend delivery dates for Cargill by approximately six weeks.

CMS also extended stockpiling requirements from the original terms contained in the Invitation for Bid.

Procurement Code and Administrative Rules Requirements

Making changes to terms and conditions of an Invitation for Bid after bids are opened is not allowable under the Illinois Procurement Code or CMS' administrative rules. The Code requires bids to be *"unconditionally accepted without alteration or correction, except as authorized in this Code"* (30 ILCS 500/20-10(e)). Provisions for correction or withdrawal of bids require that *"After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted"* (30 ILCS 500/20-10(f)).

CMS' administrative rules (44 Ill. Adm. Code 1) also contain provisions similar to those found in the Code. Section 1.2010 (n) Competitive Sealed Bidding states that, *"The contract resulting from this process shall reflect the awarded requirements and no material changes shall be made except in compliance with the requirements of the Code and this Part...."* The statute and CMS rules only permit correction or withdrawal of bids after opening under very limited circumstances, such as a mistake, that are not present here. There was no evidence in the procurement file that Cargill ever made any formal claim that it had made a mistake in its bid. Therefore, no changes should have been made to the terms and conditions.

A public record of the bid opening, as is required by the Illinois Procurement Code and CMS' administrative rules, was not contained in the procurement files for the first solicitation.

Record of Bid Opening

A public record of the bid opening, as is required by the Illinois Procurement Code and CMS' administrative rules (30 ILCS 500/20-10(d) and 44 Ill. Adm. Code 1.2010(i)), was not contained in the procurement files for the first solicitation. The bid opening record is required to show the name of each bidder, the bid price, and the name of the witness present at the opening.

According to CMS officials, bids are date stamped and a log is kept of the bid opening record. Because this document did not exist, we could not determine if all bids were received prior to opening and whether the opening was witnessed by a State employee as is required.

Second Solicitation Basis of Allocation

In order to encourage bids, the second solicitation allowed potential vendors to offer an approved salt alternative. One of the vendor's alternatives was accepted by CMS; however, the bid was a lump sum of 95,000 tons which required CMS to determine the allocation to

pool participants. According to CMS officials, pool participants were first surveyed to determine if the alternative was acceptable. Because there was more demand than supply for the offer, CMS had to allocate the product. The salt alternative was allocated so that IDOT locations received 100 percent of their requested amounts while local participants received approximately 27 percent of their requested amounts. The procurement files for the second solicitation did not contain a written determination regarding the basis of the award, including how this allocation was determined, the methodology used, and who made these decisions. (pages 26-33)

The procurement files did not contain a written determination regarding the basis of the award, including how this allocation was determined, the methodology used, and who made these decisions.

COMPLIANCE WITH TERMS AND CONDITIONS

We reviewed the procurements to determine if CMS and the vendors complied with the terms and conditions of the Invitations for Bid. There were terms and conditions that CMS did not hold the vendor to performing. CMS did not receive evidence of stockpiling as was required. Vendor sales reports also were not filed in a timely manner. CMS also did not force vendors to file performance bonds as part of the second solicitation as was required by the Invitation for Bid.

Emergency Purchase

CMS could have saved two local governments in McHenry County over \$137,000 by rejecting bids received for the second solicitation and procuring salt for these entities through the emergency purchase. The award notice of emergency procurement was published September 4, 2008, the same day the second solicitation's final award was published. The emergency purchase contract offered salt at a price of \$138.52 per ton; the two local governments, McHenry County Highway Department and the city of Woodstock, paid \$148.94 per ton. (pages 33-37)

CMS could have saved two local governments in McHenry County over \$137,000.

TIMELINESS OF SOLICITATIONS

CMS has used the same general cycle over the past three years to conduct its joint procurement of bulk rock salt. We reviewed the CMS joint procurements for bulk rock salt for the past three years to determine if the 2008 joint procurement was solicited later than usual. As is shown in Digest Exhibit 4, the date of first offer for the Invitation to Bid was almost identical for the 2006 and 2007 procurements as it was for 2008.

The 2009 CMS joint procurement of bulk rock salt was issued on April 30, 2009, with a bid opening date of May 21, 2009. Although CMS issued their joint procurement Invitation for Bid for bulk rock salt earlier

than in previous years, other states such as Wisconsin, Minnesota, Ohio, and Iowa opened bids for rock salt for the upcoming year prior to Illinois opening bids. (pages 37-38)

Digest Exhibit 4 COMPARISON OF CMS JOINT PROCUREMENTS OF BULK ROCK SALT Calendar Years 2006 - 2008			
	2006	2007	2008
Date First Offered	June 22, 2006	June 21, 2007	June 20, 2008
Date Bids Due	July 19, 2006	July 17, 2007	July 16, 2008
Notice of Award	August 18, 2006	September 12, 2007	August 21, 2008
Number of Bidders	6	5	4
Total Tons of Salt	1.39 million tons	1.34 million tons	1.35 million tons
Total Contract \$	\$52,963,802	\$57,018,000	\$91,227,637
Average Price/Ton	\$39.79	\$41.06	\$67.63
Source: Solicitation #219461, #221774, #222600, and summaries of contract information.			

CHANGES TO THE PROCUREMENT PROCESS

We reviewed the terms and conditions of the 2008 CMS joint procurement to identify potential changes that could be made. We surveyed other states about their practices for procuring salt. We also spoke with vendors to get their perspective as to whether certain requirements of the CMS joint procurement process have an effect on bidding certain locations and the bid price. On March 23, 2009, auditors met with CMS officials to discuss audit issues identified during fieldwork and possible changes to the procurement process. Below is a list of suggested changes that CMS should consider.

- **Timing** – CMS should issue the Invitation for Bid earlier and also monitor when other states are issuing their invitations for bid in order to avoid going out for bid after the supply has been committed to others.
- **Basis of Award** – CMS should consider combining smaller counties and dividing larger counties in order to encourage bidding.
- **Guaranteed Percentages** – CMS should consider whether the minimum and maximum requirements are a deterrent to bidding and should consider the feasibility of changing these to a smaller range to lessen the risks to vendors.

- **Stockpiling Requirements** – CMS should review the deadlines and percentage requirements for stockpiling to determine if extending these deadlines or changing the percentage requirements would encourage bidding or better pricing.
- **Bidder's Conference** – CMS may want to consider holding a bidder's conference to speak with all potential vendors in order to identify any potential problems prior to bidding or to review significant changes from the prior year's IFB.
- **Bid and Performance Bonds** – CMS should consider requiring bid bonds in order to ensure that vendors honor their bids. CMS should also review the 20 percent performance bond requirement to ensure that it is sufficient to protect the State's interest.
- **Delivery Requirements** – CMS should review ordering and delivery requirements to determine if changes are needed. CMS should also review the flexibility of delivery times for possible changes.
- **Liquidated Damages** – CMS should review the liquidated damages provisions for delivery and out of specifications to determine if these are appropriate and set at levels sufficient to protect the State and pool participants without discouraging competition.
- **Multi-Year Contracts** – CMS should consider entering into multiple year contracts or more aggressive renewal provisions that allow the State to control the renewal process.
- **Fuel Adjustment Clauses** – CMS should consider adding a fuel adjustment clause to the Invitation for Bid for bulk rock salt. This may also include provisions for escalation (price increase) and de-escalation (price decrease) in the price of fuel.
- **Establishing Delivery Points with Optional Pick-up for Local Governmental Units or Bidding Transportation Separately** – CMS should consider provisions for optional pick-up by participants or establishing general delivery points or requiring additional stockpile locations of vendors. (pages 38-43)

OTHER STATES

We surveyed other Midwestern states to determine their rock salt procurement practices. We contacted Iowa, Ohio, Wisconsin, Indiana, and

Missouri. Of the five states contacted, Iowa, Ohio, and Wisconsin have a program for jointly procuring rock salt for use on roads and highways. Missouri's procurement was only for the Missouri Department of Transportation (MODOT) locations; however, the solicitation includes a form for vendors to complete regarding whether they are willing to provide salt to local governments at the same price offered to MODOT. Indiana's reverse auction was primarily for the Indiana Department of Transportation, but also included some correctional facilities. Like Illinois, Wisconsin and Ohio have statutory programs allowing joint purchasing of supplies such as rock salt.

In addition to Illinois, many other Midwestern states experienced sharp increases in the cost of rock salt. Some states either had areas that did not receive bids (Ohio and Wisconsin) or rejected bids (Iowa and Missouri) because of the price. The Ohio Department of Transportation (ODOT) recently investigated the price increases in its 2008 procurement of rock salt. The investigation concluded that the 2008 letting results significantly departed from ODOT's historical experiences in terms of lower competition and higher prices.

Other States Comparisons

Although there are many factors that make comparisons between states difficult, Illinois paid slightly more than other states we surveyed. The experience in Illinois for 2008 was not unique, however, and every state in the Midwest that we surveyed experienced a significant increase in the price of rock salt. Although in some cases we received limited information from these states' officials, we were able to obtain the contracts and summarize information to make comparisons. Digest Exhibit 5 compares the rock salt procurements and contracts of Illinois and these other states. (pages 46-52)

Digest Exhibit 5 2008-2009 ROCK SALT CONTRACTS BY STATE Comparison of Procurement Dates, Amount, and Pricing					
State	Date First Offered	Bid Opening Date	Tons of Salt Awarded	Total Dollars	Average Price Per Ton
Illinois	June 20, 2008	July 16, 2008	1,348,829	\$91,227,637	\$67.63
Indiana	April 28, 2008	May 16, 2008	408,105	\$23,401,452	\$57.34
Iowa	April 30, 2008	May 21, 2008	323,915	\$19,973,008	\$61.66
Missouri	May 12, 2008	May 29, 2008	281,405	\$15,091,864	\$53.63
Ohio	Unknown	August 21, 2008	487,860	\$30,476,614	\$62.47
Wisconsin	Renewed and June 27, 2008	Renewed and July 15, 2008	679,110	\$32,537,754	\$47.91

Source: OAG survey of other states.

NON-PARTICIPANTS

We selected a judgmental sample of entities that did not participate in CMS' joint procurement and surveyed them to determine the price they paid for salt for the 2008 winter season. These included local governments that had participated in the joint procurement in the past and some that had never participated. Out of the 25 localities we surveyed, 17 provided responses. The localities that responded included six villages, three township road districts, four county highway departments, one park district, and three cities. Suggestions made by non-participants included:

- CMS should aggregate communities and go out for bids earlier.
- One local government stated that it has a small storage site, and it would like a quicker response to deliveries of salt when ordered.
- One local government stated that it doesn't think contracts should be awarded unless all counties are given ample time to submit requests, and that the playing field should be leveled regarding pricing and delivery charges.
- One local government wished it had been told it was not in the joint procurement before it was time to buy salt. (pages 52-55)

COMMUNICATION WITH LOCAL GOVERNMENT PARTICIPANTS

CMS needs to improve its communications with local government participants by providing full disclosure of terms and conditions, providing accurate information in communications and memos, and giving local governments adequate time to make decisions.

CMS did not provide the full terms and conditions of the Invitation for Bid to participants. Only the general or major terms were provided to participants for the 2008 joint procurement. In order to make an informed decision, potential participants needed to see the complete and detailed terms that will be included in the Invitation for Bid and contracts they will be using. There were instances of CMS providing terms to local governmental participants in memos and then changing these terms. For instance:

CMS needs to improve its communications with local government participants by providing full disclosure of terms and conditions, providing accurate information in communications and memos, and giving local governments adequate time to make decisions.

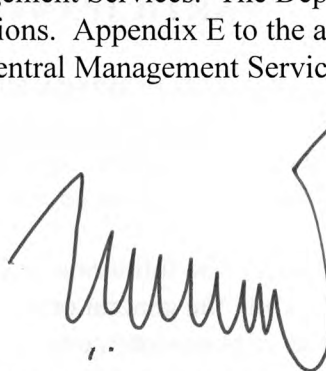
- The February 14, 2008 survey for participation stated that the vendor would agree to furnish not less than 130 percent of the amount requested. For the majority of participants, this was changed to 100 percent when CMS revised the terms and conditions of Cargill's contract.
- On August 20, 2008 CMS notified joint participants in a memo that an alternative offer had been received that would meet approximately 48 percent of their need. Our analysis shows that only approximately 27 percent of the initial requests were supplied.

CMS gave local government participants very short timeframes to make decisions related to commitments for the procurement. In some instances local participants were given only a day to reply regarding whether they would commit to a certain price and what if any additional tonnage would be needed. Although CMS may have been operating under short timeframes with salt vendors, asking joint participants to agree to increases of 50 percent or more in a 24 hour period does not allow adequate time for notification of city councils or county boards.

Some local governments we contacted were not aware they could participate while others claimed that they thought they were participating or that CMS had lost or misplaced their requests to participate. (pages 56-58)

RECOMMENDATIONS

The audit report contains eight recommendations to the Department of Central Management Services. The Department generally agreed with the recommendations. Appendix E to the audit report contains the Department of Central Management Services' responses.



WILLIAM G. HOLLAND
Auditor General

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Chapter One

INTRODUCTION AND BACKGROUND

REPORT CONCLUSIONS

The Department of Central Management Services (CMS) administers the Joint Purchasing Program for the State. The purpose of the Joint Purchasing Program is to allow units of local government to participate in State negotiated contracts, and thereby take advantage of State contract pricing which should result in procurement savings to local governments.

On June 20, 2008, CMS issued its first solicitation for bids for the 2008 joint procurement of bulk rock salt for State agencies and other local governmental units. The bids were opened July 16, 2008. Unlike in previous years, some parts of the State did not receive bids, while other participants experienced **significant** increases in their bid price. Parts of the State that did not receive bids included local governments, Illinois Department of Transportation locations, and Illinois State Toll Highway Authority locations in Cook, Lake, McHenry, and Boone counties. The Statewide average price for the first solicitation was \$67.63 per ton. However, bid prices ranged from a low of \$46.78 per ton for St. Clair County to \$140.61 per ton for Effingham County.

A second solicitation was issued by CMS on July 25, 2008, and bids were opened on August 12, 2008. Although more locations received bids for salt, the prices averaged \$117.29 per ton and ranged from a low of \$96.18 to a high of \$168.03 per ton. There were also still locations in McHenry County and Lake County that did not receive bids. CMS eventually procured \$8.6 million of rock salt through an emergency purchase for these remaining locations at a price of \$138.52 per ton.

In addition to CMS' procurements, the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA) each issued emergency purchases. IDOT, through two emergency procurements, purchased an additional \$9.6 million of rock salt at \$138.52 per ton. ISTHA through two more emergency procurements purchased an additional \$2.8 million of rock salt at \$138.52 and \$151.52 per ton.

CMS' 2007 joint procurement of bulk rock salt totaled \$57 million. In all, the 2008 CMS joint procurements and emergency purchases entered into by CMS, IDOT, and ISTHA resulted in nearly \$129 million in contracts with salt vendors or a **126 percent increase** over the previous year. The average price per ton increased from \$41.06 for 2007 to \$67.63 for the first solicitation in 2008 or a 65 percent increase.

Some actions taken by CMS for the 2008 joint procurement of bulk rock salt were not in accordance with the Illinois Procurement Code and CMS' administrative rules.

- CMS allowed one vendor (Cargill) to **significantly** change the terms and conditions of its bid **after** the bid opening, which is not allowable under the Illinois Procurement Code (30 ILCS 500/20-10). Cargill won a large amount of bids (over 1 million tons) and expressed concern that it might be unable to meet its obligations. CMS reduced the maximum amount of rock salt a State or local entity could purchase from Cargill from 130 percent in the Cargill contract terms, to 100 percent, in effect giving up claim to 30 percent of the most reasonably priced salt in the State. We determined that changing these terms reduced the potential amount of salt the vendor would be required to provide pool participants by approximately **300,000 tons or \$16.5 million**. CMS also changed ordering and delivery guidelines and extended stockpiling dates for Cargill. Other bidders were not afforded the opportunity to change their terms and conditions.
- A public record of the bid opening, as is required by the Illinois Procurement Code and CMS' administrative rules (30 ILCS 500/20-10(d) and 44 Ill. Adm. Code 1.2010(i)), was not contained in the procurement files for the first solicitation.
- For the second solicitation there was no written determination in the procurement files regarding decisions to allocate salt alternatives. Because there was more demand than supply for one offer, CMS had to allocate the product to participants. The salt alternative was allocated so that IDOT locations received 100 percent of their requested amount while local government participants received approximately 27 percent of their requested amounts. There was nothing in the procurement files to show the basis of the award, the methodology used to determine the allocation, or who made this decision.

CMS did not hold vendors to some requirements contained in the terms and conditions of the Invitations for Bid. These included:

- Proof of stockpiling was not submitted as required by the Invitation for Bid terms and conditions.
- Bonds were not submitted to secure the three contracts issued under the second solicitation as was required by the Invitation for Bid terms and conditions. As a result, a total of \$16,586,206 in contracts was not secured with performance bonds putting the State and local governments at risk of non-performance.

CMS did not adequately protect the financial interest of at least two local governments during the second solicitation process. By the time CMS was informing local governments of their price per ton as a result of the second solicitation, CMS was aware of the \$138.52 per ton price offer pursuant to its emergency procurement. At least one local community (Deerfield) rejected its bid of \$143.82 per ton for enhanced salt received for the second solicitation and procured salt through the CMS emergency purchase. By doing this it saved the community approximately \$10,600. We identified two other local governments in McHenry County (city of Woodstock and the McHenry County Highway Department) that could have received better

pricing through the emergency purchase. Procuring their salt through the emergency purchase could have saved these communities a total of \$137,544.

Through our review of CMS' 2008 joint procurement, we identified several changes CMS should consider.

- Issuing the joint procurement Invitation for Bid earlier and monitoring when other states are issuing their invitations for bid in order to avoid going out for bid after the supply has been committed to other states.
- Changing the basis of award to consider aggregating smaller counties and dividing larger counties in order to encourage bidding by locations.
- Changing guaranteed percentage requirements.
- Extending the deadlines for stockpiling and reviewing the percentage requirements.
- Holding a bidder's conference to speak with potential vendors in order to identify any potential problems prior to bidding and to review significant changes from the prior year's Invitation for Bid.
- Requiring bid bonds in order to guarantee that a potential bidder will proceed with the contract and reviewing performance bond requirements to ensure they are sufficient to protect the State's interest.
- Reviewing delivery requirements and delivery times to allow more flexibility or other possible changes.
- Reviewing the liquidated damages for delivery and out of specifications to determine if these are appropriate and set at levels sufficient to protect the State and pool participants without discouraging competition.
- Issuing a multi-year contract or adding more aggressive renewal provisions.
- Adding a fuel adjustment clause with escalation and de-escalation provisions.
- Establishing delivery points with optional pick-up for local communities.

Other states that we surveyed also experienced problems in obtaining rock salt for the 2008-2009 winter season. Most states experienced areas with no bids and/or substantially increased prices resulting in some states rejecting bids for locations and counties. There are many factors that affect pricing from state to state, and even within this State, including supply and demand, contract terms, and transportation costs among others. Recognizing that there are many factors that impact comparability of prices paid by various states, Illinois paid slightly more on average per ton than other states we surveyed.

We surveyed non-participants including some that had participated in the CMS joint procurement in the past. The amount paid by non-participants we surveyed varied greatly just as it did for those that participated in the joint procurement. Some non-participants surveyed simply did not purchase salt this year. Non-participants suggested CMS do the following to improve the procurement process:

- Aggregate communities.
- Go out for bids earlier.
- Provide a quicker response to deliveries of salt when ordered.
- Not award contracts unless all counties are given ample time to submit requests.
- Level the playing field regarding pricing and delivery charges.
- Tell participants when they are not in the joint procurement.

CMS needs to improve its communications with local government participants by providing full disclosure of terms and conditions, providing accurate information in communications and memos, and giving local governments adequate time to make decisions. CMS did not provide the full terms and conditions of the Invitation for Bid to participants. CMS also provided terms to local governmental participants in memos, then changed these terms. CMS gave local government participants very short timeframes to make decisions related to commitments for the procurement. Some local governments we contacted were not aware they could participate in the joint procurement (city of Carthage), while others claimed that they thought they were participating (village of Camp Point) or that CMS had lost or misplaced their requests to participate (city of Charleston).

INTRODUCTION

On December 11, 2008, the Legislative Audit Commission adopted Resolution Number 138 directing the Auditor General to conduct a management audit of the Department of Central Management Services' joint purchasing procurements of bulk rock salt in 2008 (see Appendix A). The resolution asks the Auditor General to determine:

- Whether the procurements complied with applicable State laws and rules;
- Whether the procurements were done in a timely manner; and
- Whether the prices paid as a result of the procurement process were significantly higher than those paid by neighboring states or local governments that did not participate in the CMS joint procurement process.

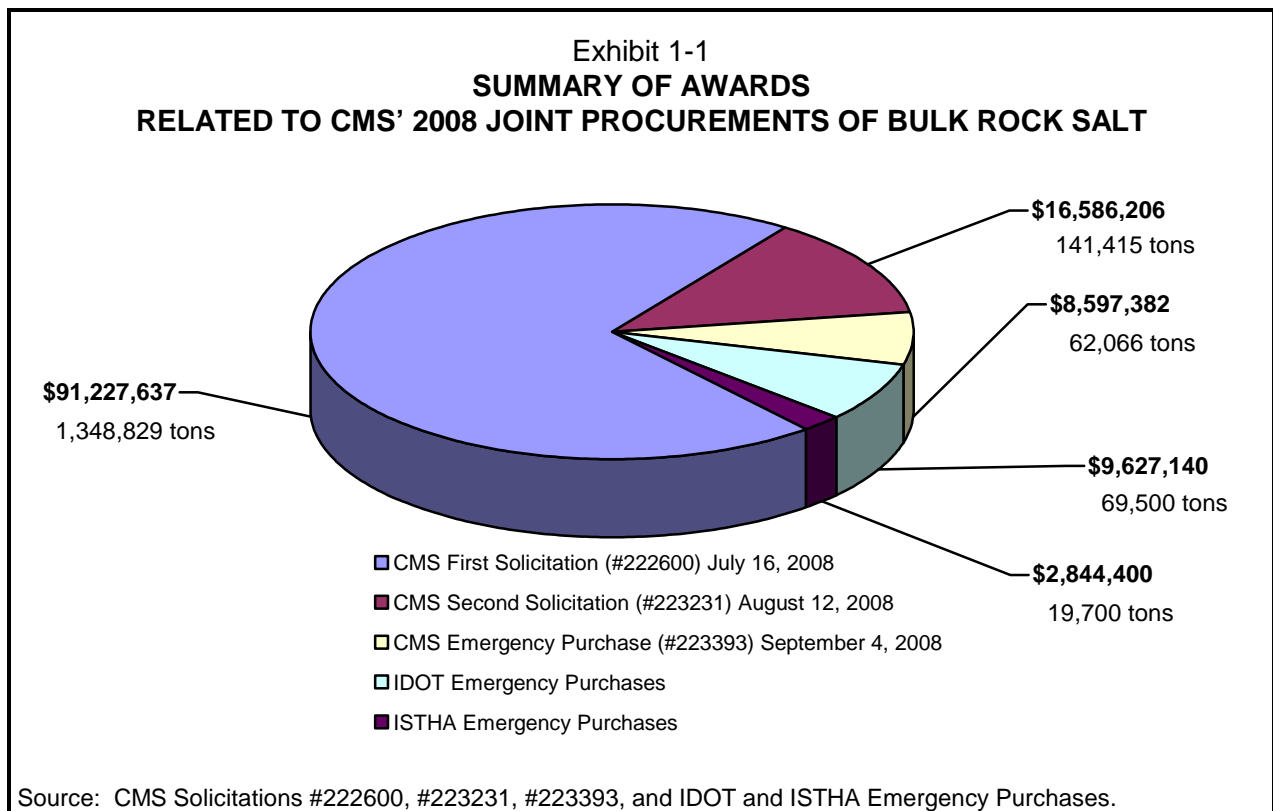
BACKGROUND

On June 20, 2008, CMS issued its first solicitation for bids for the 2008 joint procurement of bulk rock salt for State agencies and other local governmental units. The bids were opened July 16, 2008. Unlike in previous years, some parts of the State did not receive

bids, while other participants experienced **significant** increases in their bid price. Parts of the State that did not receive bids included local governments, Illinois Department of Transportation locations, and Illinois State Toll Highway Authority locations in Cook, Lake, McHenry, and Boone counties. The Statewide average price for the first solicitation was \$67.63 per ton. However, bid prices ranged from a low of \$46.78 per ton for St. Clair County to \$140.61 per ton for Effingham County.

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In addition to CMS' procurements, the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA) each issued emergency purchases. IDOT, through two emergency procurements, purchased an additional \$9.6 million of rock salt at \$138.52 per ton. ISTHA through two more emergency procurements purchased an additional \$2.8 million of rock salt at \$138.52 and \$151.52 per ton.



As shown in Exhibit 1-1, in all, the 2008 CMS joint procurements and emergency purchases entered into by CMS, IDOT, and ISTHA resulted in nearly \$129 million in contracts

with salt companies or a **126 percent increase** over the previous year. CMS' 2007 joint procurement of bulk rock salt totaled \$57 million.

As a result of the 2008 CMS joint procurement of rock salt, some government agencies paid more than triple the price paid in the previous year. Several local governments filed protests with CMS and also sent inquiries to the Illinois Attorney General claiming possible violations of anti-trust laws. CMS denied the protests that were filed and the Attorney General's investigation "found no evidence of unlawful conduct by the suppliers."

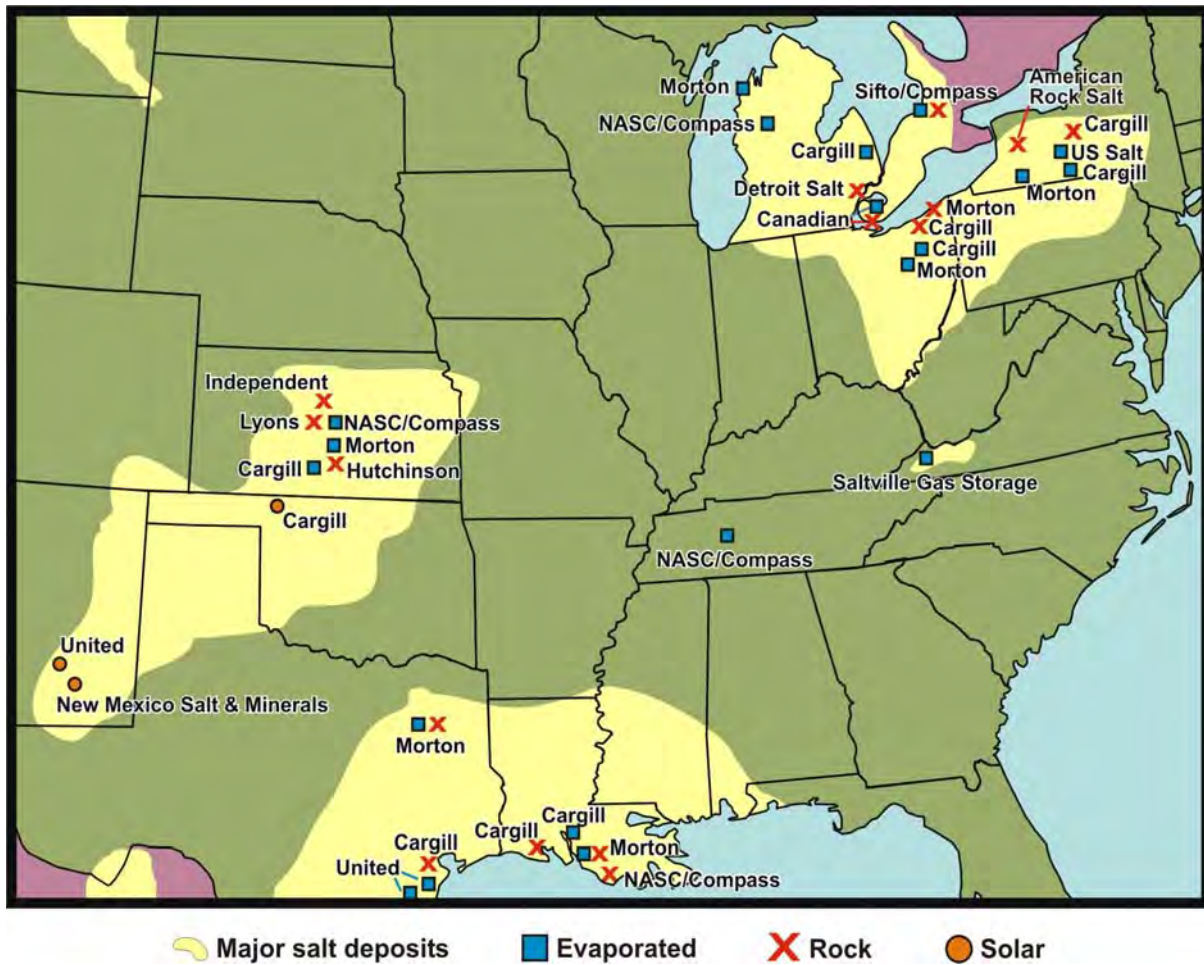
OVERVIEW OF ROCK SALT

Salt is used as the principal deicing agent on roadways because it is widely available and the most cost-effective deicer. The primary type of salt used is rock salt that is mined from the earth. However, solar salt can also be used. The use of salt on roadways keeps snow and ice from bonding to the pavement. This allows snowplows to remove accumulations quickly and more efficiently. According to the Salt Institute (a salt industry trade association), approximately 15 million tons of road salt is used in the U.S. annually. State agencies and local governmental units in Illinois purchased nearly 1.6 million tons of rock salt for 2008 or approximately 10 percent of the total amount of sales in the U.S.

Illinois' Rock Salt Suppliers

North America has several large salt deposits from which rock salt is mined. Salt is mined from underneath the Great Lakes from locations in Ohio, Michigan, New York, and Ontario, Canada. Salt is also mined in Kansas, Louisiana, and Texas. Exhibit 1-2 shows a map of the locations of major salt deposits and production facilities in North America nearest to Illinois.

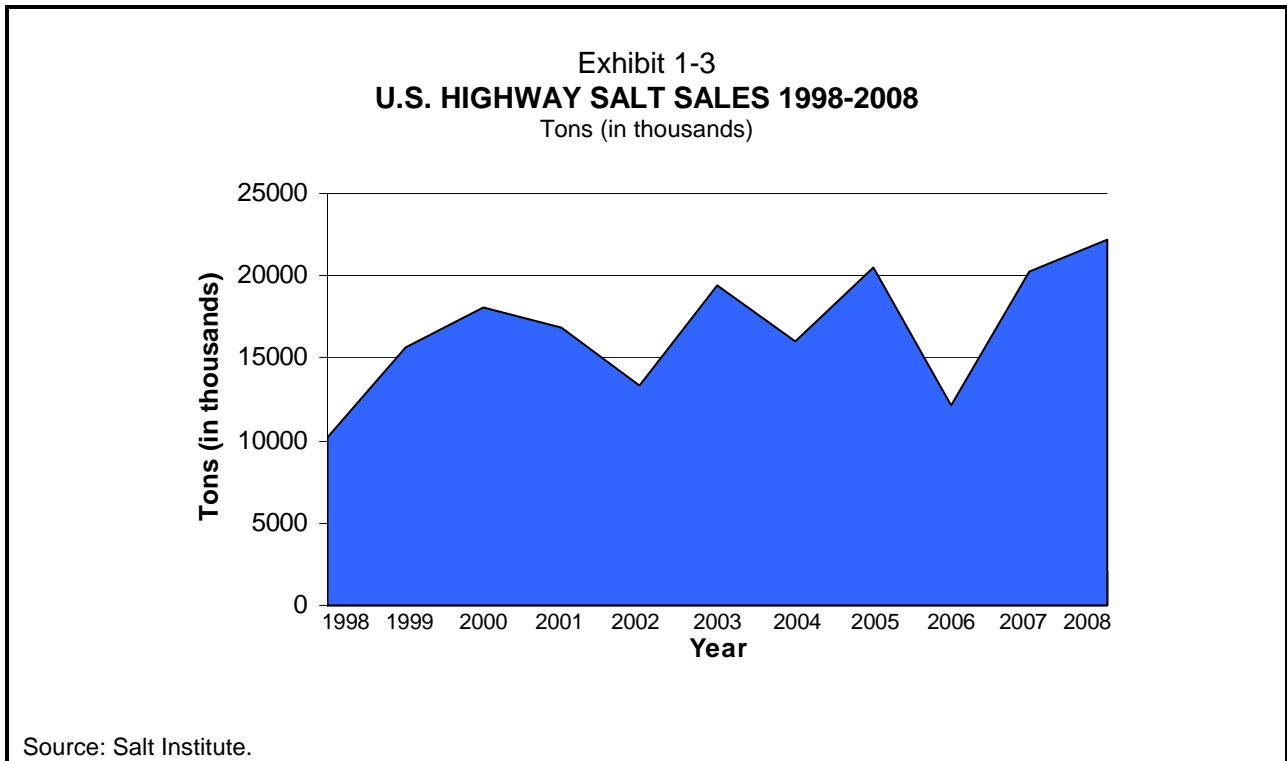
Exhibit 1-2
MAJOR SALT DEPOSITS AND PRODUCTION FACILITIES



Source: Salt Institute.

Salt Sales and Consumption

Between 1989 and 2004, average U.S. rock salt consumption among members of the Salt Institute averaged 14.9 million tons. However, during the winters of 2005 and 2007, U.S. road salt sales among these vendors were more than 20 million tons annually. Data for calendar year 2008 shows that sales were up nearly 10 percent over the previous year. Exhibit 1-3 shows U.S. highway salt sales data for the period 1998 through 2008.



THE DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

The Department of Central Management Services (CMS) assists other State agencies and governmental entities with a broad range of administrative responsibilities. One of these areas is procurement. CMS' Bureau of Strategic Sourcing and Procurement's focus is on reducing the costs to State government while promoting consistency and compliance in the procurement activities throughout State agencies and other governmental entities.

CMS administers the Joint Purchasing Program for the State. The purpose of the Joint Purchasing Program is to allow units of local government to participate in State negotiated contracts, and thereby take advantage of State contract pricing which should result in procurement savings to local governments. The 2008 joint procurement of rock salt was conducted by the Equipment and Commodities Division located within CMS' Bureau of Strategic Sourcing and Procurement.

JOINT PROCUREMENT PARTICIPANTS

The Governmental Joint Purchasing Act (30 ILCS 525) allows certain governmental units to purchase personal property, supplies, and services jointly with one or more other governmental units. The Act also requires that where the State is a party to the joint purchase agreement, the Department of Central Management Services shall conduct the letting of bids.

According to CMS' Joint Purchasing Manual, entities that can join the Joint Purchasing Program include any public authority which has the power to tax, any other public entity created by statute, and any not-for-profit agency which qualifies under the State Use Law Program. Local governmental units that wish to participate in the Joint Purchasing Program are required to submit a Joint Purchasing Act Participation Resolution, passed by the governing board, authorizing its purchasing officials to participate in the program.

Even though CMS conducts the joint procurements, the State does not become the purchasing agent for participants. All contracts are placed directly with the business firms and each governmental unit must issue its own purchase orders, accept its own deliveries, and make its own payments. Also, participation in one purchase or contract does not require participation in other State contracts or purchases.

Participants are required to submit an Illinois Joint Purchasing Requisition Form for the specific contract items (such as rock salt). Upon completion of the purchase, the vendor award will be recorded on the requisition form and returned to the participant. It is then the responsibility of the participant to issue a purchase order to the contract vendor.

The first solicitation for the 2008 CMS joint procurement for bulk rock salt involved 630 total participants. These participants included State agencies, cities, villages, townships, counties, school districts, colleges, universities, and airports.

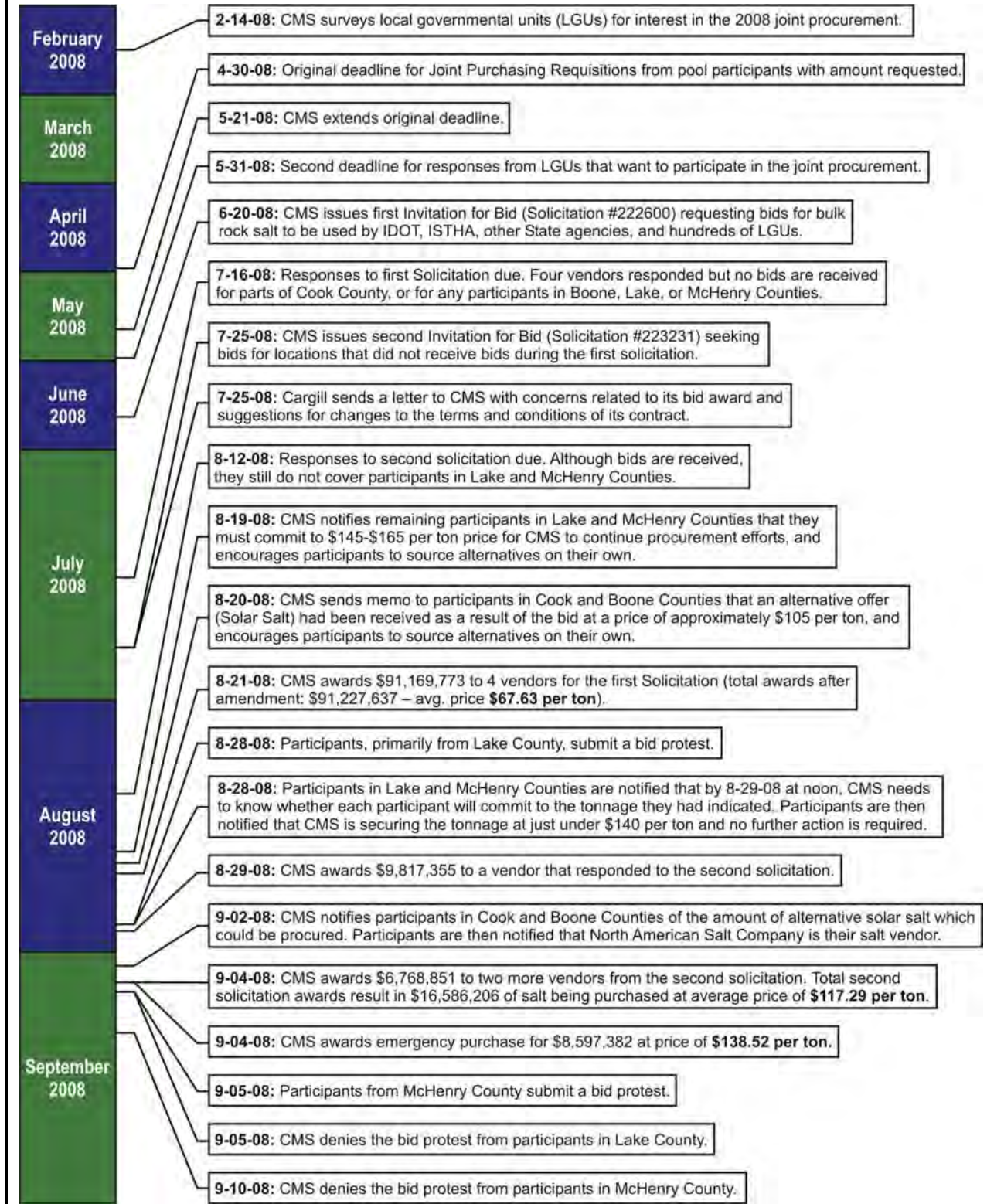
2008 BULK ROCK SALT JOINT PROCUREMENT

CMS was responsible for preparing the Invitation for Bid documents, receiving bids, opening the bids, determining the lowest bid, and awarding and signing the contracts for the 2008 joint procurement of bulk rock salt. These duties are generally performed by a buyer and portfolio manager at CMS. Exhibit 1-4 shows the overall timeline of the 2008 joint procurement of bulk rock salt.

First Solicitation (#222600)

On February 14, 2008, CMS sent correspondence to all local governmental units notifying them of the upcoming joint procurement of bulk rock salt. The correspondence detailed the major terms of the proposed contract and included a requisition to be completed and returned to CMS' Bureau of Strategic Sourcing and Procurement by April 30, 2008, with the quantity of rock salt requested by the entity. On May 21, 2008, CMS extended the deadline to respond to the invitation to participate to May 31, 2008. According to a CMS official, approximately 60 additional local governmental units chose to participate because of the extension.

Exhibit 1-4
TIMELINE OF 2008 JOINT PROCUREMENTS OF BULK ROCK SALT



Source: OAG analysis of CMS information.

On June 20, 2008, CMS solicited bids for bulk rock salt for 630 joint participants. These 630 participants included a total of 762 locations throughout the State. These locations included local governmental units (616 locations), the Illinois Department of Transportation (119 locations), the Illinois State Toll Highway Authority (15 locations), and other State agencies (12 locations). The first solicitation included 892 bid lines for these 762 locations because some locations requested initial and seasonal delivery separately. In total the first solicitation requested a total of over 1.8 million tons of rock salt. The majority of the salt requested was for local governmental units (57%). Exhibit 1-5 shows the total number of tons requested by location compared to the total number of tons awarded.

Exhibit 1-5 2008 CMS JOINT PROCURMENT FOR BULK ROCK SALT First Solicitation					
	Local	IDOT	Other State Agencies	ISTHA	Grand Total
Locations Requested	616	119	12	15	762
Locations Awarded	464	107	10	12	593
No Bid Locations	152	13	2	4	171
Tons of Salt Requested	1,033,746	669,280	4,300	103,700	1,811,026
Tons of Salt Awarded	704,199	560,530	3,600	80,500	1,348,829
Percentage of Salt Awarded	68.12%	83.75%	83.72%	77.63%	74.48%

Note: IDOT locations do not add due to 1 location receiving a bid for seasonal fill but no bid for initial fill. Also, ISTHA locations do not add due to 1 location receiving a bid for initial fill but no bid for seasonal fill.

Source: OAG analysis of solicitation #222600.

Bids were opened on July 16, 2008. All counties (except Cook and DuPage counties) were awarded to the low compliant bidder on a county-wide basis. For these counties, vendors were required to submit bids for all locations, including all IDOT locations and other local government locations for the entire county. For instance, if a vendor wanted to submit a bid for Sangamon County, the vendor would have to bid all eight locations in the solicitation, including one IDOT location, the village of Divernon, city of Springfield, Abraham Lincoln Capital Airport, Village of Grandview, the Sangamon County Highway Department, U of I Springfield, and the village of Williamsville. For Cook and DuPage counties, the bids were awarded on the basis of low compliant bidder for each individual location instead of county-wide.

Of the 1.8 million tons of salt requested, 74.48 percent of the tonnage was awarded. Exhibit 1-6 shows the four vendors awarded contracts and the amounts of the contracts. The first solicitation resulted in four vendors receiving contracts for a total of \$91 million for 1,348,829 tons of rock salt with a weighted average price of \$67.63 per ton. The weighted average price paid in 2008 represents a **65 percent increase** over the previous year's weighted average price of \$41.06 per ton.

Exhibit 1-6 VENDOR AWARDS FOR FIRST SOLICITATION (#222600) June 20, 2008			
Company	Award Amount	Tons Awarded	Weighted Average Price Per Ton
Cargill Salt Division	\$55,042,801	1,000,919	\$54.99
North American Salt Co.	\$27,042,318	252,567	\$107.07
Morton International Inc.	\$8,819,459	90,693	\$97.25
Central Salt LLC	\$323,059	4,650	\$69.47
Total	\$91,227,637	1,348,829	\$67.63
Note: Award amounts included various fees and amendments to contracts. Averages may not calculate due to rounding. Source: OAG analysis of first solicitation awards.			

Exhibit 1-7 shows the winning bid price for the first solicitation and vendor for each county. As is shown in the Exhibit, the prices ranged from a low of \$46.78 per ton in St. Clair County to a high of \$140.61 per ton in Effingham County.

Noting that sometimes wide disparities existed in price per ton between neighboring counties, we discussed the factors that affect bids with three major salt vendors. According to vendors, transportation is a major factor in bidding. The supply chain that vendors use includes boat and barge traffic on rivers and trucking cost. Fuel costs and traffic congestion can also have an impact on this as well as stockpile locations and other logistics involved in delivery.

Another factor, according to vendors, is the size of the tonnage requested for each county. When the supply is tight and the county has a large tonnage requested, it can be a large commitment for vendors.

Also, according to vendors, some cities and towns present specific challenges. Vendors cited frequent deliveries because of a lack of storage capacity, diverting trucks to weigh, assessing damages, and untimely payment as reasons which also impact the price per ton charged.

Second Solicitation (#223231)

No vendors offered bids for numerous locations in Lake, McHenry, Cook, and Boone counties in the first solicitation. In CMS' 2007 joint procurement for rock salt, all locations received a bid. According to our analysis, 191 bid lines did not receive bids for a total of 462,197 tons of salt in the 2008 first solicitation (see Exhibit 1-8). These included State agencies and local governmental units. Although there were 191 bid lines that did not receive bids, the total entities without bids was less because some entities have multiple delivery locations or requested early and seasonal delivery as separate bid lines. There were 156 entities without bids.

Exhibit 1-8 NO BIDS FOR FIRST SOLICITATION			
County	Total Bid Lines	No Bid Lines	Tons
Boone	13	13	20,825
Cook	146	74	178,835
Lake	61	61	168,437
McHenry	43	43	94,100
Total	263	191	462,197
Source: OAG analysis of bid tabulation.			

On July 25, 2008, CMS issued a second Invitation for Bid for the locations that did not receive bids (solicitation #223231). Bids for the second solicitation were due August 12, 2008. CMS also made some changes to the bidding and evaluation process to help ensure that bids were obtained for all locations. For this solicitation, a provision for award by specific location was allowed for all areas, as opposed to county-wide awards in the first solicitation. Also, alternate offers were invited. Alternate delivery parameters that grouped multiple IDOT delivery points together as a single vendor delivery point were also allowed as opposed to direct vendor deliveries for those locations.

Some of the locations that did not receive bids during the first solicitation received bids through the second solicitation. However, the bids received for the second solicitation were much higher than those received for the first solicitation. As shown in Exhibit 1-9, the second solicitation resulted in three vendors receiving contracts for a total of \$16,586,206 with an average of \$117.29 per ton. Of the 191 bid lines in the second solicitation, 100 bid lines involving 96 locations did not receive a bid again.

Exhibit 1-9 VENDOR AWARDS FOR SECOND SOLICITATION (#223231) July 25, 2008			
Company	Award Amount	Tons Awarded	Weighted Average Price Per Ton
Morton International Inc.	\$9,817,355	95,332	\$102.98
North American Salt Co.	\$4,460,493	29,243	\$152.53
International Salt Co.	\$2,308,358	16,840	\$137.08
Total	\$16,586,206	141,415	\$117.29
Source: OAG analysis of second solicitation awards.			

Cook and Boone Counties

On August 20, 2008, CMS notified participants in Cook and Boone counties that an alternate offer (Solar Salt) had been received from a bidder during the second solicitation in which approximately 48 percent of the original quantity could be provided at a price of approximately \$105 per ton (final awards published August 29, 2008 for the salt alternative varied from \$96.18 to \$109.79 per ton). IDOT accepted the alternative product for its locations that had not received a bid. Participants were asked to respond by August 25, 2008, regarding whether they would accept the salt alternative. The memo also stated that CMS recognized that the participants' requirements for salt may change as a result of the pricing level (potentially \$145-\$165 per ton).

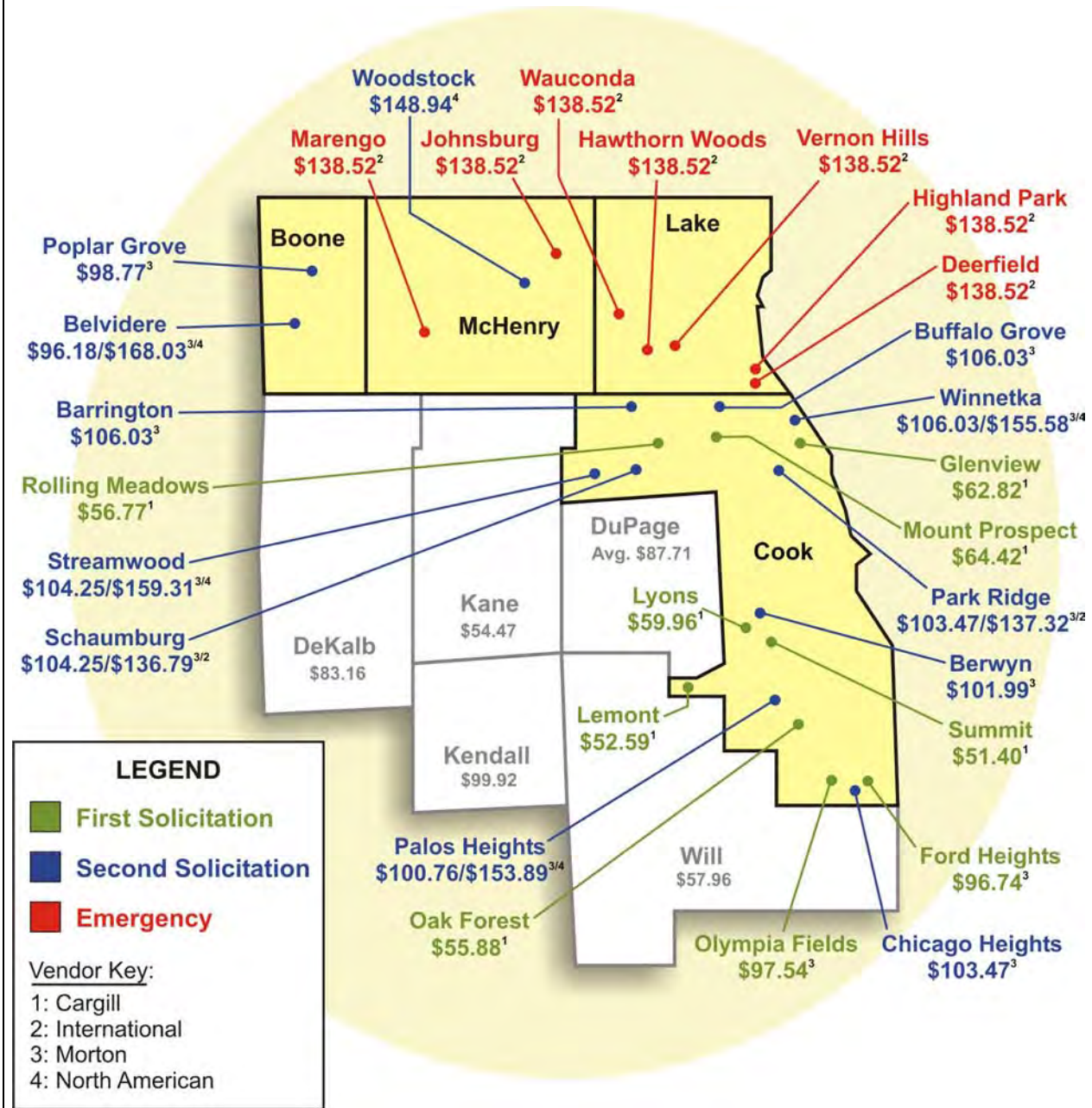
CMS procured salt for participants in addition to the alternative salt. On September 2, 2008, CMS notified participants in Cook and Boone counties of the amount of the alternative (solar salt) that would be procured on their behalf. The memo also asked participants to indicate any additional tonnage of salt needed at various prices per ton listed in each notification. Also, on September 2, 2008, CMS sent a letter to participants in the second solicitation in Cook and Boone counties to notify them that the North American Salt Company was selected as their salt vendor. Final awards published September 4, 2008, varied from \$136.24 to \$168.03 per ton. Exhibit 1-10 shows examples of salt pricing in the Northeastern Illinois counties and the wide disparities between locations.

Lake and McHenry Counties

On August 19, 2008, CMS sent correspondence to joint procurement participants in Lake and McHenry counties that did not receive a bid during the second solicitation. The memo from CMS notified the participants that clarification was necessary because potential costs could be in the \$145-\$165 per ton range. This also gave communities a chance to adjust the quantity requested. The memo asked the participants to respond by August 22, 2008, regarding whether they were still interested in participating, and if so, the total number of tons requested. The memo also encouraged the participants to source alternatives on their own, so that the best decision for their community could be made.

On August 28, 2008, participants in Lake and McHenry counties were e-mailed notice that by August 29 at 12:00 pm, CMS needed to know whether each participant had been able to achieve an unqualified commitment to the tonnage they had indicated. In response to the August 19, 2008 correspondence participants had provided a qualified response (e.g. that they needed approval from town or city council or board for additional funds). The notice also stated that CMS had secured a price commitment just under \$140 per ton but the price required CMS to make a commitment on the participants' behalf on August 29, 2008, to 100 percent of the quantity requested. Also on August 28, 2008, participants in Lake and McHenry counties were notified that CMS was moving forward to secure the tonnage and no further action was required on the participants' part.

Exhibit 1-10
EXAMPLES OF ROCK SALT PRICING FOR NORTHEASTERN ILLINOIS



Note: Some locations have two prices because the tonnage requested was split between two bids. DuPage County average price per ton represents a weighted average of all locations and multiple vendors.

Source: OAG analysis of awards for solicitations #222600, #223231, and #223393.

Emergency Purchase (#223393)

After two solicitations, locations in Lake and McHenry counties still had not received bids. These participants were notified on August 15, 2008, that no bids had been received for their locations. CMS awarded an emergency purchase to International Salt Company on September 4, 2008 for the purchase of 62,066 tons of rock salt for locations in Lake and McHenry counties for \$8,597,382 or \$138.52 per ton.

In addition to CMS’ procurements, the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA) each issued emergency purchases. IDOT, through two emergency procurements, purchased an additional \$9.6 million in rock salt. ISTHA, through two more emergency procurements, purchased an additional \$2.8 million in rock salt.

Summary of Solicitations

Exhibit 1-11 shows an overview of all three of the CMS solicitations that were part of the 2008 joint procurement of rock salt. In all, the three CMS solicitations resulted in more than 1.5 million tons of rock salt with an average price per ton of \$75.

Exhibit 1-11 SUMMARY OF CMS’ SOLICITATIONS RELATED TO THE 2008 JOINT PROCUREMENT OF BULK ROCK SALT				
	First Solicitation (#222600)	Second Solicitation (#223231)	Emergency Purchase (#223393)	Total
Number of Vendors	4	3	1	5
Tons Awarded	1,348,829	141,415	62,066	1,552,310
Total Contract \$	\$91,227,637	\$16,586,206	\$8,597,382	\$116,411,225
Average Price/Ton	\$67.63	\$117.29	\$138.52	\$74.99

Source: OAG analysis of CMS awards for solicitations #222600, #223231, and #223393.

FACTORS AFFECTING ROCK SALT PRICES

The factors affecting the price of rock salt are not that different from those of other commodities. These factors include among others the market forces of supply and demand.

Demand for rock salt set a record in 2007. Because of the harsh 2007-2008 winter stockpiles of salt were depleted and state and local governments had to restock. Demand for rock salt in 2008 was even higher than it was in 2007.

The locations of the **supply** do not change. Illinois does not have any salt mines in the State and the nearest salt production facilities are located in Ohio, Michigan, Louisiana, and

Kansas. It is unclear whether the salt producers have increased production to meet the surging demand for this year.

The **cost of mining** increased in 2008. Mining salt uses heavy machinery which consumes oil and electricity. During 2008 a barrel of oil exceeded \$147 per barrel and diesel prices reached \$4.75 a gallon.

One factor that may affect the supply and a vendor's willingness to bid is the type of **contracts and provisions** that are used to procure rock salt. These contracts usually involve a minimum amount that will be purchased but also hold provisions for purchasing additional amounts (Min/Max Contracts). For instance, for the 2008 procurement of rock salt in Illinois the contract provisions contained a min/max of 70/130. This means that the purchaser (State or local government) agrees to purchase at least 70 percent of the amount bid by a certain date but reserves the right to purchase up to 130 percent of the amount bid. As a result of these types of contracts, the vendor is assured to sell only a fraction of the total volume of salt in the contracts; however, the company is legally obligated to inventory the remaining 60 percent. Failing to provide the additional salt can also lead to penalties. In effect, these contracts force the vendor to set aside a part of the supply that may never be purchased or needed and thereby artificially reduces the supply.

The **basis of award** in the contract may also have an effect on bidding. With the exception of Cook and DuPage counties, CMS uses a county-wide basis of award. This means that a bidder must bid on all locations in the county and the award is made to the lowest bidder for that county. In Cook and DuPage counties, the award is made on a location by location basis. For the second solicitation, CMS changed criteria for McHenry and Boone counties to be on a location by location award basis.

Transportation costs also have an effect on the unit delivered cost of rock salt. Salt is hauled by truck, rail, and barge and increases in fuel prices add to the transportation costs. During 2008 fuel prices reached record levels. The number and location of points of delivery may also affect the cost of transporting the material.

Weather can affect salt prices in two ways. Harsh winters can increase demand. However, flooding can also affect barge traffic on rivers. In 2008, flooding shut down shipping on the Mississippi River. Mines located in Louisiana are one of Illinois' suppliers. During the winter, barge traffic can also be shut down because of ice.

Timing of the procurement can also have an effect on the bid price. If other states procured rock salt before Illinois, it reduces the available salt supply. The state of Ohio released a report on December 15, 2008, regarding the 2008 rock salt procurement and they experienced the same problems as Illinois regarding counties with no bids. Ohio opened bids for rock salt after Illinois in 2008.

Collusion and bid rigging could also affect prices. The Illinois Attorney General's Office conducted an investigation into anti-trust allegations related to the 2008 CMS joint

procurement of rock salt. The Attorney General's investigation concluded that there was "no evidence of unlawful conduct by suppliers."

AUDIT SCOPE AND METHODOLOGY

This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit's objectives are contained in Legislative Audit Commission Resolution Number 138 which asks the Auditor General to conduct a management audit of the Department of Central Management Services' joint purchasing procurements of bulk rock salt in 2008 to determine whether good procurement practices were exercised in accordance with applicable State laws and rules (see Appendix A). CMS' 2008 joint procurements of bulk rock salt occurred in calendar 2008 but encompass the period for State fiscal year 2009.

Initial work began on this audit in December 2008 and fieldwork was concluded in March 2009. An entrance conference was held with CMS on January 8, 2009. On March 23, 2009, auditors met with CMS officials to share issues and preliminary findings of the audit.

During the audit, we interviewed representatives from CMS and IDOT to identify key decision points and to obtain information related to the 2008 joint procurement of bulk rock salt. We surveyed five other states to gather information related to their 2008 salt procurements and contracts. We also contacted vendors to determine if there are factors that influenced their bidding for 2008 and to identify possible changes that CMS may want to consider making to the procurement process. We contacted a judgmental sample of 25 non-participants to determine the unit cost and source of their salt supply for 2008-2009. Lastly, we contacted 10 participants that dropped out of the joint procurement after two solicitations.

We examined the current CMS organizational structure, policies and procedures, and the joint procurement process. We also reviewed the procurement files for the three solicitations that were part of the 2008 CMS joint procurement of bulk rock salt. We reviewed management controls over CMS' joint procurement process and assessed risk by reviewing CMS internal documents, policies and procedures, and CMS' administrative rules. We reviewed the management controls relating to the audit objectives that were identified in LAC Resolution Number 138. The audit reports on any weaknesses in those controls and includes them as recommendations.

In conducting the audit, we reviewed applicable State statutes, administrative rules, and CMS policies. We reviewed compliance with these laws, rules, and policies to the extent

necessary to meet the audit's objectives. Any instances of non-compliance we identified are noted as recommendations in this report.

REPORT ORGANIZATION

The remainder of this report is organized into the following chapters:

- **Chapter Two** examines the joint procurement process and whether CMS complied with applicable State laws and rules. It also discusses whether the procurements were done in a timely manner.
- **Chapter Three** reviews whether the prices paid as a result of the 2008 CMS joint procurements of bulk rock salt were significantly higher than those paid in neighboring states or local governments that did not participate.

Chapter Two

JOINT PROCUREMENT PROCESS

CHAPTER CONCLUSIONS

Some actions taken by CMS for the 2008 joint procurement of bulk rock salt were not in accordance with the Illinois Procurement Code and CMS' administrative rules.

- CMS allowed one vendor (Cargill) to **significantly** change the terms and conditions of its bid **after** the bid opening, which is not allowable under the Illinois Procurement Code (30 ILCS 500/20-10). Cargill won a large amount of bids (over 1 million tons) and expressed concern that it might be unable to meet its obligations. CMS reduced the maximum amount of rock salt a State or local entity could purchase from Cargill from 130 percent in the Cargill contract terms, to 100 percent, in effect giving up claim to 30 percent of the most reasonably priced salt in the State. We determined that changing these terms reduced the potential amount of salt the vendor would be required to provide pool participants by approximately **300,000 tons or \$16.5 million**. CMS also changed ordering and delivery guidelines and extended stockpiling dates for Cargill. Other bidders were not afforded the opportunity to change their terms and conditions.
- A public record of the bid opening, as is required by the Illinois Procurement Code and CMS' administrative rules (30 ILCS 500/20-10(d) and 44 Ill. Adm. Code 1.2010(i)), was not contained in the procurement files for the first solicitation.
- For the second solicitation there was no written determination in the procurement files regarding decisions to allocate salt alternatives. Because there was more demand than supply for one offer, CMS had to allocate the product to participants. The salt alternative was allocated so that IDOT locations received 100 percent of their requested amounts while local government participants received approximately 27 percent of their requested amounts. There was nothing in the procurement files to show the basis of the award, the methodology used to determine the allocation, or who made this decision.

CMS did not hold vendors to some requirements contained in the terms and conditions of the Invitations for Bid. These included:

- Proof of stockpiling was not submitted as required by the Invitation for Bid terms and conditions.

- Bonds were not submitted to secure the three contracts issued under the second solicitation as was required by the Invitation for Bid terms and conditions. As a result, a total of \$16,586,206 in contracts was not secured with performance bonds putting the State and local governments at risk of non-performance.

CMS did not adequately protect the financial interest of at least two local governments during the second solicitation process. By the time CMS was informing local governments of their price per ton as a result of the second solicitation, CMS was aware of the \$138.52 per ton price offer pursuant to its emergency procurement. At least one local community (Deerfield) rejected its bid of \$143.82 per ton for enhanced salt received for the second solicitation and procured salt through the CMS emergency purchase. By doing this it saved the community approximately \$10,600. We identified two other local governments in McHenry County (city of Woodstock and the McHenry County Highway Department) that could have received better pricing through the emergency purchase. Procuring their salt through the emergency purchase could have saved these communities a total of \$137,544.

Through our review of CMS' 2008 joint procurement, we identified several changes CMS should consider.

- Issuing the joint procurement Invitation for Bid earlier and monitoring when other states are issuing their invitations for bid in order to avoid going out for bid after the supply has been committed to other states.
- Changing the basis of award to consider aggregating smaller counties and dividing larger counties in order to encourage bidding by locations.
- Changing guaranteed percentage requirements.
- Extending the deadlines for stockpiling and reviewing the percentage requirements.
- Holding a bidder's conference to speak with potential vendors in order to identify any potential problems prior to bidding and to review significant changes from the prior year's Invitation for Bid.
- Requiring bid bonds in order to guarantee that a potential bidder will proceed with the contract and reviewing performance bond requirements to ensure they are sufficient to protect the State's interest.
- Reviewing delivery requirements and delivery times to allow more flexibility or other possible changes.
- Reviewing the liquidated damages for delivery and out of specifications to determine if these are appropriate and set at levels sufficient to protect the State and pool participants without discouraging competition.
- Issuing a multi-year contract or adding more aggressive renewal provisions.

- Adding a fuel adjustment clause with escalation and de-escalation provisions.
- Establishing delivery points with optional pick-up for local communities.

STATE LAWS REGARDING JOINT PROCUREMENTS

The Governmental Joint Purchasing Act (30 ILCS 525) allows governmental units to purchase personal property, supplies, and services jointly with one or more other governmental units. The Act also requires that where the State is a party to the joint purchase agreement, the Department of Central Management Services shall conduct the letting of bids. It further requires that when the State is a party to the joint purchase agreement, the acceptance of bids shall be in accordance with the Illinois Procurement Code and rules promulgated under the Code.

The Illinois Procurement Code (30 ILCS 500) contains requirements for competitive sealed bidding and Invitations for Bid. These include requirements for issuing an Invitation for Bid, giving public notice, bid openings, bid acceptance, bid evaluation, correction or withdrawal of bids, and award.

ADMINISTRATIVE RULES

CMS has promulgated rules for purchasing under the Illinois Procurement Code and the Governmental Joint Purchasing Act. CMS' administrative rules (44 Ill. Adm. Code 1.6500) provide that State and other governmental units may agree to utilize each other's procurement contracts. CMS' administrative rules also provide requirements for soliciting offers, competitive sealed bidding, documentation of procurement actions, and receipt, opening, and recording of bids. The rules also include requirements for emergency procurements, mistakes, and cancellation and rejection of bids.

REVIEW OF THE JOINT PROCUREMENTS

In all, CMS undertook three solicitations for the 2008 joint procurement of bulk rock salt. We reviewed the procurements and the files for CMS' first solicitation (#222600), the second solicitation (#223231), and the emergency purchase (#223393) to determine if each was conducted in accordance with applicable State laws and CMS' administrative rules. We reviewed the terms and conditions included in each Invitation for Bid and contract. We also reviewed the procurements to determine if CMS and the vendors complied with the terms and conditions of the Invitation for Bid.

First Solicitation (#222600)

According to CMS officials, they were aware that other states were experiencing problems with supply and pricing for salt. Because CMS officials thought price might be a problem, several provisions in the 2008 Invitation for Bid were changed from the 2007

solicitation to try to encourage bidders and pricing for the joint procurement of rock salt. The 2008 Invitation for Bid terms included changes to allow:

- An additional 30 days for the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA) initial fills.
- An additional 2-3 tons per truck load on deliveries.
- An additional 16 days to furnish stockpile evidence.
- Late season discounts to attempt to get better pricing for certain times of the year.

CMS also made changes in the terms for the 2008 Invitation for Bid to attempt to encourage better pricing by separating initial fill from seasonal fill. CMS also changed the language related to liquidated damages to make provisions less stringent and to limit the percentage that could be ordered in order for liquidated damages to be assessed giving more time for delivery to the vendors. Exhibit 2-1 shows examples of the changes in terms and conditions from the 2007 and 2008 Invitations for Bid.

Second Solicitation (#223231)

Because 191 bid lines in Lake, McHenry, Boone, and Cook counties did not receive bids for 462,197 tons of salt under the first solicitation, CMS made additional changes to the terms and conditions of the second Invitation for Bid in order to encourage bidding. These changes included:

- Keeping the original salt specification but adding a provision that allowed for “an approved alternate.”
- Extending initial and seasonal order deadlines one month.
- Changing delivery requirements from seven **calendar** days to seven **working** days.
- Extending stockpiling dates two weeks.
- Pushing back the date when liquidated damages could be charged from November 1, 2008, to December 1, 2008.
- Changing the basis of award to a location by location basis.

Exhibit 2-1 EXAMPLES OF CMS' CHANGES TO THE 2008 INVITATION FOR BID	
2007 Invitation For Bid Terms	2008 Invitation For Bid Terms
Section J68115 – Orders/Delivery/Invoices	
<i>The Illinois Department of Transportation and the Illinois State Toll Highway Authority require the successful vendor to ship initial fill up orders prior to October 1, 2007.</i>	<i>The Illinois Department of Transportation and the Illinois State Toll Highway Authority require the successful vendor to ship initial fill up orders prior to October 31, 2008.</i>
<i>Orders shall be scheduled in amounts that make up full (20-22 ton) truckloads; orders for less than truckload will not be accepted.</i>	<i>Orders shall be scheduled in amounts that make up full (22-25 ton) truckloads; orders for less than truckload will not be accepted.</i>
<i>Not in 2007 Invitation for Bid.</i>	<i>Initial fill and seasonal quantities have been separately listed in Cook and DuPage County to encourage more competitive delivery price for each location, and evaluation shall be made to the combined low-total for initial and seasonal quantities for each location. Initial fill quantities are stated within Tollway location commodities and in the bid attachment for each IDOT location in all other counties to encourage a more competitive bid price for their respective county, where evaluation is made by county low-total.</i>
<i>Not in 2007 Invitation for Bid.</i>	<i>An agency may order up to 20% of their awarded contract tonnage in any given week and vendor shall deliver within 7 calendar days after receipt of order. Quantities ordered above the 20% threshold shall have an extended delivery time of one-calendar-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 tons (20%) shall be within 7 calendar days after receipt of order. The remaining 5 tons shall be delivered within 12 days after receipt of the order.</i>
Section J68116 – Availability & Stockpile	
<i>Successful vendors shall be required to furnish satisfactory evidence by October 15, 2007, that they have or will have stockpiles of rock salt in Illinois or near its boundaries in sufficient quantities to satisfy contractual requirements.</i>	<i>Successful vendors shall be required to furnish satisfactory evidence by October 31, 2008, that they have or will have stockpiles of rock salt in Illinois or near its boundaries in sufficient quantities to satisfy contractual requirements.</i>
Section J68122 – Vendor Price Guarantees	
<i>Not in 2007 Invitation for Bid.</i>	<i>After April 1st, the State and vendor(s) may negotiate and agree to a late season discount to be offered to any purchasing State agency or Local Governmental Unit, provided their 70% purchase requirement has been met, for late season purchases within this contract's term.</i>
<i>Source: 2007 and 2008 joint procurements of bulk rock salt invitations for bid.</i>	

Emergency Purchase (#223393)

After the second solicitation, there remained 96 locations that did not receive bids. Of the 96 remaining locations, 47 of them were not included in the emergency purchase. Therefore, these 47 locations dropped out of the joint procurement process. The emergency purchase terms were very similar to the terms contained in the second solicitation. However, the previous two solicitations terms contained minimum and maximum (70/130) purchasing terms. The emergency purchase language required participants to purchase 100 percent of the amount.

COMPLIANCE WITH STATE LAWS AND AGENCY RULES

We found that CMS did not comply with some requirements in the Illinois Procurement Code and its administrative rules. These included changing the terms and conditions of the Invitation for Bid after bids were opened for the first solicitation, keeping a record of the bid opening in the procurement files for the first solicitation, and having a written determination of the basis of award for the second solicitation.

Changes to Terms and Conditions After Bid Opening

CMS allowed one vendor (Cargill) to **significantly** change the terms and conditions of its bid **after** the bid opening, which is not allowable under the Illinois Procurement Code (30 ILCS 500/20-10). Other bidders were not afforded the opportunity to change their terms and conditions. When bids for the first solicitation were opened on July 16, 2008, Cargill won the majority of bids for the State totaling approximately 1.3 million tons of salt at the 130 percent maximum. The price per ton bid by Cargill was significantly lower than those bid by the other vendors. On July 25, 2008, Cargill officials, through an e-mail and letter to CMS officials, expressed concern regarding the tonnage that they were awarded and stated that it may be difficult to succeed unless CMS and Cargill work together to reach a compromise on the final contract. When we contacted Cargill, officials stated that they were concerned that they could not meet the awarded commitment. From CMS e-mails, Cargill's concern was the 130 percent requirement for the low bid total tonnage as well as the potential for delivery damages. Cargill's July 25, 2008 letter lists the issues of most concern as the January 1st inventory requirement, the 130 percent maximum for 1 million tons of salt, and late delivery penalty implications. Cargill also made recommendations to CMS that would give it a "greater comfortable (sic) level as it pertained to the tonnage." These recommendations included changing the maximum tonnage supplied to 1 million tons. Cargill also stated that it would be "willing to supply salt to areas where the State received no-bids," with the understanding that tons designated for no bid areas would be subtracted from the 1 million overall tonnage. Cargill also recommended extending stockpiling dates and wanted the State to waive all late delivery penalties.

CMS and Cargill negotiations on changes to terms and conditions continued throughout the end of July and early August. The Cargill contract containing the new terms and conditions was signed by CMS on August 29, 2008. Exhibit 2-2 shows examples of the changes made to the terms and conditions, which are discussed in the following sections.

Exhibit 2-2 DIFFERENCE IN CARGILL'S CONTRACT TERMS AND TERMS AND CONDITIONS IN THE INVITATION FOR BID	
2008 Invitation For Bid Terms	Cargill's Contract Terms
Section J68111 – Quantities/Guaranteed Purchases	
<i>The State guarantees to purchase during the contract period not less than 70% of their estimated need. The Bidder guarantees to furnish not less than 130% (if required) of the estimated need by March 1, 2009.</i>	<i>The State guarantees to purchase during the contract period not less than 70% and no more than 100 % of their estimated need. The Bidder, upon mutual agreement and when inventory is available, shall furnish up to 130% (if required) of the estimated need by March 1, 2009.</i>
Section J68115 – Orders/Delivery/Invoices	
<i>Other State agencies and local governmental units reserve the right to purchase up to 50% of their estimated order requirements prior to October 31, 2008.</i>	<i>Other State agencies and local governmental units reserve the right to purchase up to 50% of their estimated order requirements prior to December 15, 2008.</i>
<i>Not in the Invitation for Bid</i>	<i>CMS reserves the right to mitigate application of liquidated damages imposed against vendor, in the event of orders exceeding the maximum percentages below.</i>
<i>Not in the Invitation for Bid</i>	<i>Agency orders may not exceed the following timeline for their contract tonnage for application of delivery timeline and assessment of damages 50 % by December 15, 2008 75 % by January 1, 2009 85 % by February 1, 2009 100% by March 1, 2009 Vendor shall deliver within delivery timeline after receipt of order the quantity below this timeline threshold, and each percentage-point above these guidelines shall have an extended delivery timeline of one calendar day. For example, if an agency orders 60% of their awarded total of 1,000 tons prior to December 15, 2008, delivery of the first 500 tons (50%) shall be within 7 calendar days, after receipt of order, the remaining 100 tons shall be delivered within 17days after receipt of the order.</i>
J68116 – Availability and Stockpile	
<i>Successful vendors shall be required to furnish satisfactory evidence by October 31, 2008, that they have or will have stockpiles of rock salt in Illinois or near its boundaries in sufficient quantities to satisfy contractual requirements. Such requirements are as follows: At upper Mississippi River Stockpile Locations 100% by December 1, 2008 At all other stockpile locations 50% by December 1, 2008 100% by January 1, 2009</i>	<i>Successful vendors shall be required to furnish satisfactory evidence by October 31, 2008, that they have or will have stockpiles of rock salt in Illinois or near its boundaries in sufficient quantities to satisfy contractual requirements. Such requirements are as follows: For all contract stockpile locations – 50 % by December 15, 2008 75 % by January 1, 2009 85 % by February 1, 2009 100% by March 1, 2009</i>
<i>Source: 2008 CMS joint procurement (Solicitation #222600) invitation for bid and Cargill's contract.</i>	

Quantities and Guaranteed Purchases Revised

One of the changes CMS made to the terms and conditions of the Cargill contract was revising the maximum amount that could be purchased under the contract. Salt contracts are guaranteed purchase contracts that involve a minimum amount that will be purchased but also contain provisions for purchasing additional amounts (Min/Max Contracts). For instance, the CMS 2008 joint procurement of bulk rock salt Invitation for Bid contained a min/max provision of 70/130. This means that the purchaser (State or local government pool participants) agreed to purchase at least 70 percent of the amount bid but reserved the right to purchase up to 130 percent of the amount bid. The advantage of these provisions to the purchaser are that during a mild winter pool participants can purchase the minimum amount (70%) while in a more severe winter, more than the amount of estimated need could be purchased (up to 130%). While benefiting the purchaser, it can be a disadvantage to the seller, especially in times of tight supply. This provision essentially requires the seller to stockpile 130 percent of the salt amount bid, so that it can meet the purchaser's potential maximum demand.

CMS changed the maximum in the Cargill contract terms to 100 percent, in effect giving up claim to 30 percent of the most reasonably priced salt in the State. Cargill was awarded 1,000,919 tons of salt for the first solicitation. We determined that changing these terms reduced the potential amount of salt the vendor would be required to provide pool participants by approximately **300,000 tons or \$16.5 million**. During the previous year's solicitation, a different salt vendor (North American Salt) won the majority of bids for a similar amount (1,051,809 tons) according to CMS' IllinoisBID computer system. However, no changes were made to the terms and conditions of the Invitation for Bid in 2007. Had CMS held Cargill to the original terms of its bid, this salt could have potentially been used by entities that did not receive bids. According to correspondence between Cargill and CMS, Cargill was willing to provide salt to the areas with no bids but wanted the total tonnage for the contract limited. CMS neither held Cargill to the original terms of the Invitation for Bid nor was able to utilize Cargill to obtain salt for areas of the State that did not receive bids.

For the 2008 CMS joint procurement of bulk rock salt, Cargill won over 1 million tons at an average price of \$54.99 per ton. Even though Cargill expressed concerns to CMS regarding tonnage and supply, the company continued to bid on salt contracts in other states **even after bids were opened in Illinois** on July 16, 2008. For example, on August 21, 2008, Ohio's Department of Transportation opened its bids for rock salt. Cargill won 487,860 tons of the Ohio DOT bids. Cargill also bid on rock salt for another Ohio group, the Southwest Ohio Purchasers for Government, for an August 28, 2008 bid opening. Cargill continued to bid and receive awards in states outside the Midwest, including West Virginia in September 2008 and New York in November 2008.

Ordering and Delivery Dates Revised

CMS changed the ordering and delivery dates in the Invitation for Bid to extend delivery dates for Cargill by approximately six weeks. The Invitation for Bid and the contracts with other vendors required that State agencies and local governmental units could purchase up to 50

percent of their estimated order requirements prior to **October 31, 2008**. Cargill's contract terms changed this date to **December 15, 2008**.

Stockpiling Requirements Revised

CMS also extended stockpiling requirements from the original terms contained in the Invitation for Bid giving Cargill approximately three additional months to meet the 100 percent requirement. The Invitation for Bid required vendors to have stockpiles of rock salt in Illinois or near its boundaries in sufficient quantities to satisfy 100 percent of the contractual requirements by **December 1, 2008, and January 1, 2009**, depending on the location in the State. Cargill's contract terms were changed so that 100 percent of the amount was not required to be stockpiled until **March 1, 2009**.

Liquidated Damages

Seasonal ordering guidelines affected the application of delivery timelines and assessment of liquidated damages. Cargill was also given a longer timeline for ordering compared to the Invitation for Bid and other bidders. The Invitation for Bid and all contracts, including Cargill's, included ordering guidelines. However, Cargill's contract terms added new provisions for ordering guidelines and because the ordering guidelines were extended, liquidated damages could not be assessed beyond those parameters. A provision was also added to Cargill's contract that allowed CMS to mitigate application of liquidated damages imposed against the vendor, in the event of orders exceeding the maximum percentages.

Procurement Code and Administrative Rules Requirements

Making changes to terms and conditions of an Invitation for Bid after bids are opened is not allowable under the Illinois Procurement Code or CMS' administrative rules. The Code requires bids to be "*unconditionally accepted without alteration or correction, except as authorized in this Code*" (30 ILCS 500/20-10(e)). Provisions for correction or withdrawal of bids require that "*After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted*" (30 ILCS 500/20-10(f)).

CMS' administrative rules (44 Ill. Adm. Code 1) also contain provisions similar to those found in the Code. Section 1.2010 (n) Competitive Sealed Bidding states that, "*The contract resulting from this process shall reflect the awarded requirements and no material changes shall be made except in compliance with the requirements of the Code and this Part...*" The statute and CMS rules only permit correction or withdrawal of bids after opening under very limited circumstances, such as a mistake, that are not present here. There was no evidence in the procurement file that Cargill ever made any formal claim that it had made a mistake in their bid. Therefore, no changes should have been made to the terms and conditions.

We also could not find a signed written decision memo in the procurement files to show why these changes were made for only this vendor. In addition, we could not find an agreement signed by both Cargill and CMS containing these same provisions, only e-mails. Although

Cargill had signed the bid document that contained the original terms and conditions, only CMS signed the final contract with the final terms and conditions containing the changes.

We asked CMS officials for any written analysis or legal opinion documenting why these changes were necessary and how the changes were in accordance with the Illinois Procurement Code. For the contract signed **August 29, 2008**, CMS officials provided us with a legal opinion dated **February 25, 2009**. The legal opinion stated that “the Invitation for Bids gave clear authority to make a limited award if needed to prevent a potential contract default and that circumstance was present in this situation.”

Although the Invitation for Bid did contain provisions for limiting awards, State law and CMS’ administrative rules do not allow for changing terms and conditions after bid opening. Giving up claim to 300,000 tons of the lowest priced salt may not have been in the State’s best interest. Changing the terms and conditions for only one of the four vendors that won bids and was awarded a contract under the solicitation may have also been prejudicial to the other bidders.

CHANGING TERMS AND CONDITIONS AFTER BID OPENING	
RECOMMENDATION 1	<i>CMS should not make changes to the terms and conditions of an Invitation for Bid after bids are opened.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	<p>CMS agrees that changes to terms and conditions of an Invitation for Bids should not be made after bids are opened.</p> <p>In the instance of the first rock salt bid, reasonable people may differ whether CMS changed the terms and conditions of the Invitation for Bid after bid opening, or instead simply followed a term and condition contained in the Invitation for Bid.</p> <p>The advertised Invitation for Bid clearly disclosed to all interested parties that we might issue a limited award if needed to prevent a potential contract default; and that is what CMS did.</p> <p>That advertised language in the Invitation for Bids contained the following award reservation:</p> <p>Section J68120--“The State of Illinois reserves the right to limit awards to a bidder when in the opinion of the State it is evident that such awards may put the bidder in a position of high probability of default.”</p> <p>After attending the bid opening and learning of the scope of their potential awards but before award, Cargill provided CMS with written notice of its concern over their ability to fulfill awards exceeding more than 1,000,000 tons. CMS felt that the documentation supplied by Cargill and the information provided in subsequent conversations with Cargill indicated a high probability of default by Cargill at some point</p>

during the winter season. Had that occurred, CMS could not have reasonably expected to replace the Cargill salt (and certainly not at a comparable price) due to nationwide industry supply issues. Salt was known to be in limited supply (as evidenced by the unprecedented “no bid” locations the bid revealed), the price offer presented by Cargill was seen to be at or below market price, and it was determined to be in the best interests of the State and public at large to seek to preserve as much of the potential Cargill award as possible.

Auditor Comment #1

CMS’ response indicates that Cargill submitted documentation indicating a high probability of default if it were awarded all of the areas in which it was the low bidder. However, the documentation provided to the auditors contained only general assertions that were not supported by specific details, such as financial resources, available salt supply, etc. From this documentation, we do not agree that CMS could have concluded that there was a high probability that Cargill would default if it were held to its bid. Furthermore, as discussed in the audit report, Cargill continued to bid in other states after the CMS bid opening.

Finally, even if Cargill had submitted documentation demonstrating a high probability of default if it were held to its bid, we do not believe that Section J68120 permitted CMS to change the terms and conditions of the solicitation in violation of the Procurement Code.

CMS was well aware that potential damages in the distant future from Cargill for any default occurring during the winter season would never compensate for a potential extreme public safety problem in the making. Cargill indicated to CMS that it could meet 100% of the requirement for every location on which it had bid, but not 130%. Rather than let Cargill withdraw or engage in potentially protracted adversarial actions, either one of which would have had severe financial and public safety consequences to Illinois communities, CMS made a restricted award of 100% at each of those locations to Cargill. This was not the optimum result but it did maximize the amount of salt from that source, was within the terms of the Invitation for Bid and preserved the favorable price—a good result in a time of national shortage.

It is correct that the reduction in required quantity from 130% to 100% was made only for Cargill. Cargill was the only vendor that raised and documented a position of a high probability of default and was thus susceptible to a revision pursuant to Section J68120 of the Invitation

	<p>for Bids. As supply issues were known to be a nationwide concern, adjusting other vendor commitments downward from 130% to 100% was not deemed necessary nor in the best interests of the State nor allowable under the terms of the Invitation for Bids.</p> <p>To the best of CMS' knowledge, salt is the only commodity that has the award reservation described above. Acting upon that provision was a case of first impression for CMS and it acted in good faith in order to protect the public interest in safety and fiscal terms. However, given the rarity of the provision and the potential for abuse, CMS does not consider such a clause to be a best practice for future procurements.</p>
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Record of Bid Opening

A public record of the bid opening, as is required by the Illinois Procurement Code and CMS' administrative rules (30 ILCS 500/20-10(d) and 44 Ill. Adm. Code 1.2010(i)), was not contained in the procurement files for the first solicitation. The bid opening record is required to show the name of each bidder, the bid price, and the name of the witness present at the opening.

According to CMS officials, bids are date stamped and a log is kept of the bid opening record. Because this document did not exist, we could not determine if all bids were received prior to opening and whether the opening was witnessed by a State employee as is required.

The procurement files for the second solicitation contained a record of the bid opening including the date each bid was received, the date and time of the opening, and who attended.

PUBLIC RECORD OF BID OPENING	
RECOMMENDATION 2	<i>CMS should ensure that a written public record of all bid openings, as is required by the Illinois Procurement Code, is kept in the procurement files.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	CMS agrees with the recommendation. CMS does maintain a written public record of all bid openings in the bid file. A record was completed for the 11:00 a.m. opening on July 16, 2008. Unfortunately, the bid file for this procurement has been reviewed and copied numerous times by personnel from several different agencies, and the record of this opening is now unable to be found. This is recognized to be a CMS responsibility, and corrective instructions have been given to minimize the risk of any possible re-occurrence.

Second Solicitation Basis of Allocation

In order to encourage bids, the second solicitation allowed potential vendors to offer an approved salt alternative. One of the vendor's alternatives was accepted by CMS; however, the

bid was a lump sum of 95,000 tons which required CMS to determine the allocation to pool participants. According to CMS officials, pool participants were first surveyed to determine if the alternative was acceptable. Because there was more demand than supply for the offer, CMS had to allocate the product. The salt alternative was allocated so that IDOT locations received 100 percent of their requested amounts while local participants received approximately 27 percent of their requested amounts. The procurement files for the second solicitation did not contain a written determination regarding the basis of the award, including how this allocation was determined, the methodology used, and who made these decisions.

WRITTEN AWARD DECISIONS	
RECOMMENDATION 3	<i>CMS should document all decisions in writing regarding awarding of bids, including allocations to pool participants. This written documentation should be contained in the procurement files.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	CMS agrees with the recommendation that decisions be documented, and does so within the Remedy system as a matter of standard process. In regard to the allocation issue, we agree that the documentation of the decision-making process was not complete. Decisions of such magnitude deserve extra review and documentation of the decision (for example, use of a separate decision memo may be appropriate), and such documentation must be in the file.

COMPLIANCE WITH TERMS AND CONDITIONS

We reviewed the procurements to determine if CMS and the vendors complied with the terms and conditions of the Invitation for Bid. There were terms and conditions that CMS did not hold the vendor to performing. CMS did not receive evidence of stockpiling as was required. Vendor sales reports also were not filed in a timely manner. CMS also did not force vendors to file performance bonds as part of the second solicitation as was required by the Invitation for Bid.

Monitoring Stockpiling and Salt Sales

CMS did not obtain some monitoring documents that were required by the terms and conditions contained in the Invitation for Bid, while others were not submitted timely. For example:

- **Evidence of Stockpiling** – The Invitation for Bid terms and conditions required that:

Successful vendors shall be required to furnish satisfactory evidence by October 31, 2008, that they have or will have stockpiles of rock salt in Illinois or near its boundaries in sufficient quantities to satisfy contractual requirements. (emphasis added)

In February 2009, we asked CMS for evidence of stockpiling which was due by October 31, 2008. CMS officials responded that they are in regular contact with vendors regarding supply status and movement but could not provide any documentation that had been furnished by vendors.

The terms and conditions of the Invitation for Bid also contain provisions that required vendors to provide CMS with sales reports.

- **Six Month Reports of Sales** – The Joint Purchasing Agreement provisions contained within the Invitation for Bid required that:

The Vendor is required to furnish to the Bureau of Strategic Sourcing and Procurement every six months of the contract period with a listing of items sold to local governmental units or qualified workshops.

The first contracts for rock salt were signed by CMS August 29, 2008. The first six months sales reports would be for the period ended February 28, 2009. We requested these reports on March 4, 2009. CMS officials responded on March 9, 2009, that they had planned to request these reports after the winter season events had essentially come to an end to best report actual usage by contract participants. CMS also replied that they were going to follow up with vendors concerning submission of these reports in late March 2009 when they believe the season will effectively be essentially complete. We requested these reports again April 9, 2009. CMS officials responded on April 14, 2009, that they were still waiting for information from one vendor. CMS provided auditors with a summary of sales on April 23, 2009. CMS also provided the actual sales reports that showed vendors submitted these reports to CMS between March 5, 2009, and April 17, 2009.

MONITORING STOCKPILING AND SALES	
RECOMMENDATION 4	<i>CMS should ensure that vendors comply with the terms and conditions included in the Invitation for Bid and should monitor contracts to ensure that vendors are meeting all requirements and submitting required reports in a timely manner.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	<p>CMS agrees with the recommendation that vendors must comply with terms and conditions in the Invitation for Bid, and that CMS should monitor contracts to ensure compliance.</p> <p>CMS agrees that the “Evidence of Stockpiling” and the “Six Month Report of Sales” were not received within the timelines defined within the Invitation for Bid.</p> <p>Language related to both of these requirements was revised in the 2009-2010 Invitation for Bid to better define CMS requirements and to improve the utility these reports afford the State.</p>

Performance Bonds

Like the first solicitation, the terms and conditions of the second solicitation contained a provision that the successful bidder was required to furnish a performance bond for 20 percent of the estimated dollar amount of the contract executed by a surety company licensed to do business in Illinois. For the first solicitation, vendors submitted \$13,368,165 in performance bonds to CMS as was required to ensure performance of the contracts.

For the second solicitation, however, procurement files did not contain proof that bonds were submitted by any of the successful bidders. The second solicitation resulted in total contracts of \$16,586,206, none of which were secured in accordance with the terms of the Invitation for Bid. According to CMS officials, the bond submissions that were part of the contracting process for the first bid were mistakenly thought to satisfy this requirement. Two of the three awarded vendors through the rebid had submitted bonds as part of the initial bid. However, because the second solicitation’s Invitation for Bid included requirements for posting performance bonds after the award, and because this was a separate solicitation with separate contracts, each vendor should have posted a bond with CMS as part of the award.

PERFORMANCE BONDS	
RECOMMENDATION 5	<i>CMS should secure a performance bond for all awards as is required by the Invitation for Bids.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	<p>CMS agrees that a performance bond for all awards should be secured, and will ensure full compliance going forward.</p> <p>As stated, as part of the first solicitation vendors submitted bonds appropriately for all salt tonnage contracted as a result of the first solicitation. This represented 87% of the total salt contracted through all procurement efforts for the 2008-2009 season.</p> <p>For the second solicitation, representing 9% of the total salt contracted, CMS did not secure bonds for the contracted salt. This was the result of an oversight by CMS.</p>

Emergency Purchase

According to the CMS Procurement Division overview, mission statement, and goals and objectives, the Joint Purchasing Program allows units of local government to participate in State negotiated contracts, and thereby take advantage of State contract pricing which generally results in a substantial procurement savings to local governments.

CMS could have saved two local governments in McHenry County over \$137,000 by rejecting bids received for the second solicitation and procuring salt for these entities through the

emergency purchase. The award notice of emergency procurement was published September 4, 2008, the same day the second solicitation's final award was published. The emergency purchase contract offered salt at a price of \$138.52 per ton.

One local government (Deerfield) rejected its bid received from the second solicitation of \$143.82 for 4,000 tons of enhanced salt and procured 2,000 tons of salt through the emergency purchase at \$138.52. By doing this Deerfield saved \$10,600. Examples of other communities that could have realized a savings by rejecting their bid received under the second solicitation and received better pricing through the emergency purchase are listed below.

- The city of Woodstock paid \$148.94 per ton for 3,200 tons of enhanced salt. If CMS would have used the emergency procurement to purchase salt for Woodstock, the city would have paid \$443,264 as opposed to \$476,608, a savings of \$33,344.
- The McHenry County Highway Department paid \$148.94 per ton for 10,000 tons of enhanced salt. If CMS would have used the emergency procurement to purchase this salt, the McHenry County Highway Department would have paid \$1,385,200 as opposed to \$1,489,400, a savings of \$104,200.

When auditors first met with CMS, electronic files with all award information related to the 2008 joint procurement solicitations were requested. Although CMS attempted to provide auditors with this information, the files and data provided were incomplete and inaccurate. The bid tabulations provided by CMS were simply printouts which showed the lowest bidder circled using a marker. Although the winning bidder is input into CMS' IBIDS computer system, the information does not include such items as the number of bidders, county, type of entity (State or local government), or the total dollar amount for each line. Auditors were forced to compile an electronic database for each of the three solicitations in order to conduct data analysis by using information posted on the IllinoisBID system and in the bid tabulation.

The emergency procurement conducted by CMS was only for Lake County and McHenry County. Using the databases compiled by auditors, we were able to identify the two local governments discussed above in McHenry County that paid more per ton than the emergency purchase price.

DATA ANALYSIS AND COST SAVINGS	
RECOMMENDATION 6	<i>CMS should compile appropriate electronic data sufficient to conduct analysis of bids and work with local communities to make the most cost effective decisions in jointly procuring bulk rock salt.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	<p>CMS agrees that having procurement data in an electronic format is an effective means to analyze bid data and contributes to effective decision making.</p> <p>CMS uses a legacy mainframe system - the Illinois Governmental Purchasing System (IGPS). This system is more than 20 years old, and is limited in its flexibility and in the ability to electronically analyze the data it contains.</p> <p>An updated system would greatly enhance CMS’ ability to analyze data and would more easily fulfill audit needs should they arise. To date there are no funds available for a system upgrade.</p>

TIMELINESS OF SOLICITATIONS

CMS has used the same general cycle over the past three years to conduct its joint procurement of bulk rock salt. We reviewed the CMS joint procurements for bulk rock salt for the past three years to determine if the 2008 joint procurement was solicited later than usual. As is shown in Exhibit 2-3 below, the date of first offer for the Invitation to Bid was almost identical for the 2006 and 2007 procurements as it was for 2008.

For the 2008 joint procurement, CMS began collecting information regarding entities that wanted to participate and the amount that each entity wanted procured on February 14, 2008. These requests were originally due April 30, 2008. However, CMS extended the time for local governments to respond to May 31, 2008. Not extending this deadline may have allowed them to issue the procurement at an earlier date in 2008. Although CMS could have issued the solicitation earlier, it is unclear what impact that would have had on pricing. Several of the states in the Midwest sent their Invitations for Bid for rock salt out prior to Illinois (Iowa, Missouri, and Indiana). In Chapter Three of this report Exhibit 3-1 shows the solicitation and bid opening date for each state.

Exhibit 2-3 COMPARISON OF CMS JOINT PROCUREMENTS OF BULK ROCK SALT Calendar Years 2006 - 2008			
	2006	2007	2008
Date First Offered	June 22, 2006	June 21, 2007	June 20, 2008
Date Bids Due	July 19, 2006	July 17, 2007	July 16, 2008
Notice of Award	August 18, 2006	September 12, 2007	August 21, 2008
Number of Bidders	6	5	4
Total Tons of Salt	1.39 million tons	1.34 million tons	1.35 million tons
Total Contract \$	\$52,963,802	\$57,018,000	\$91,227,637
Average Price/Ton	\$39.79	\$41.06	\$67.63
Source: Solicitation #219461, #221774, #222600, and summaries of contract information.			

The Attorney General’s testimony to the Legislative Audit Commission alluded to the fact that the CMS joint procurement occurred relatively late in the season. This put Illinois on a schedule that made it more likely supplies would not be available and even then only at higher prices. However, a relatively late bid may not always be bad. In a year when demand is down, bidding later in the year can yield lower prices as the bidding season progresses. However, in 2008, demand was considerably higher, so conducting the process in July meant that Illinois saw higher prices than some neighboring states.

The 2009 CMS joint procurement of bulk rock salt Invitation for Bid was issued on April 30, 2009, with a bid opening date of May 21, 2009. Although CMS issued its joint procurement Invitation for Bid for bulk rock salt earlier than in previous years, other states such as Wisconsin, Minnesota, Ohio, and Iowa opened bids for rock salt for the upcoming year prior to Illinois opening bids.

CHANGES TO THE PROCUREMENT PROCESS

We reviewed the terms and conditions of the 2008 CMS joint procurement to identify potential changes that could be made. We surveyed other states about their practices for procuring salt. We also spoke with vendors to get their perspective as to whether certain requirements of the CMS joint procurement process have an effect on bidding certain locations and the bid price. On March 23, 2009, auditors met with CMS officials to discuss audit issues identified during fieldwork and possible changes to the procurement process. Below is a list of suggested changes that CMS should consider.

- **Timing** – For the 2008 joint procurement, Illinois was one of the last states in the Midwest to issue an Invitation for Bid. By that time, much of the rock salt supply had been committed to other states. Because other states may also be considering issuing their invitations for bids earlier, it is not enough for CMS to simply issue the Joint Procurement solicitation earlier. CMS should issue the Invitation for Bid earlier and also

monitor when other states are issuing their invitations for bid in order to avoid going out for bid after the supply has been committed to others.

- **Basis of Award** – For the first 2008 solicitation, the basis of award was on a county-wide basis (except Cook and DuPage counties). This meant that the vendor must bid on all locations within that county in order to receive the award for that county. For Cook and DuPage counties, the vendors could bid on a location by location basis and were not required to bid on all the locations within those counties. Lake and McHenry counties required large commitments from vendors. For instance, Lake County requested 168,437 tons in the first solicitation. Because of limited supply, requesting this large of an amount on a county-wide basis may have had a negative effect on bidding. CMS changed the basis of award to location by location for the second solicitation. CMS should review all counties and consider changing the basis of award for counties requesting large amounts to a location by location basis. CMS should also consider whether combining smaller counties would also be beneficial.
- **Guaranteed Percentages** – The 2008 joint procurement of rock salt Invitation for Bid contained a 70/130 min/max requirement for both the first and second solicitations. This meant that the purchaser (State or local governments) agreed to purchase at least 70 percent of the amount bid by a certain date but reserved the right to purchase up to 130 percent of the amount bid. As a result of these types of contracts, the vendor is assured to sell only a fraction of the total volume of salt in the contracts; however, the company is obligated to stockpile inventory that may or may not be purchased. In effect, these contract requirements force the vendor to set aside a part of the supply that may never be purchased nor needed which may reduce or limit the supply. One of the changes that CMS made to the Cargill contract after bid opening was to reduce the maximum amount to 100 percent. This reduced the amount of salt that the vendor would be required to provide and reduced the risk and exposure for the vendor related to liquidated damages. The emergency purchase CMS entered into had no minimum or maximum but simply required 100 percent purchase of the amount. Vendors that we contacted also said that the minimum and maximum requirements are an issue that is taken into account during bidding. CMS should consider whether the minimum and maximum requirements are a deterrent to bidding and should consider the feasibility of changing these to a smaller range to lessen the risks to vendors.
- **Stockpiling Requirements** – Another provision that CMS changed in the Cargill contract and the second solicitation Invitation for Bid was the requirement for stockpiling. As discussed earlier in this chapter, dates were extended for Cargill after the first solicitation bid opening. CMS also extended the deadlines in the Invitation for Bid for the second solicitation. These requirements may have an effect on vendor price and tonnage. CMS should review the deadlines and percentage requirements for stockpiling to determine if extending these deadlines or changing the percentage requirements would encourage bidding or better pricing.
- **Bidder's Conference** – Although CMS' administrative rules allow for a Pre-Bid Conference, none was held as part of the 2008 joint procurement of bulk rock salt. A

Pre-Bid Conference may be conducted to enhance the understanding of the procurement requirements (44 Ill. Adm. Code 1.2010(f)). Because CMS is considering making several changes to the procurement's terms and conditions, CMS may want to consider holding a bidder's conference to speak with all potential vendors in order to identify any potential problems prior to bidding or to review significant changes from the prior year's Invitation for Bid.

- **Bid and Performance Bonds** – As a result of the first solicitation, one vendor was initially awarded over one million tons of salt. According to CMS e-mails, it was clear that there was concern that CMS needed to “keep” the vendor. Although usually used for projects such as road construction, bid bonds help guarantee that a potential bidder will proceed with the contract. Other states (Missouri and Iowa) included provisions for bid bonds in their salt procurements in 2008. IDOT also uses bid bonds for its construction contracts. CMS should consider requiring bid bonds in order to ensure that vendors honor their bids. CMS should also review the 20 percent performance bond requirement to ensure that it is sufficient to protect the State's interest.
- **Delivery Requirements** – CMS' Invitations for Bid for the first and second solicitation included provisions for delivering orders within seven calendar days. Vendors we spoke to said that this can affect pricing and during a weather event it can be difficult to meet the demand in the required timeframes. One of the changes CMS made for the emergency purchase was to change the order and delivery requirement to working days instead of calendar days. Vendors said that delivery days (within 7 days from ordering) make it difficult during major weather events. Requirements for delivery times (from 7:30 am to 3:30 pm Monday through Friday) may also make delivery more difficult for vendors. CMS should review ordering and delivery requirements to determine if changes are needed. CMS should also review the flexibility of delivery times for possible changes.
- **Liquidated Damages** – CMS' Invitations for Bid for the first and second solicitation included provisions for assessing liquidated damages if vendors do not deliver orders within seven calendar days. The Invitations for Bid also contained liquidated damages provisions for moisture content and out of specifications. Several of the other states we surveyed also include provisions for liquidated damages in their salt contracts. CMS should review the liquidated damages provisions for delivery and out of specifications to determine if these are appropriate and set levels sufficient to protect the State and pool participants without discouraging competition.
- **Multi-Year Contracts** – CMS' contracts with vendors are single year contracts which include provisions for renewal upon mutual agreement. Some other state and local governments use multiple year contracts or renewal provisions which resulted in lower prices for 2008. The state of Wisconsin was able to renew contracts for 66 of its 72 counties. The city of Chicago signed two-year contracts with vendors which also resulted in much lower pricing (between \$34.81-\$41.27 per ton). CMS should consider entering into multiple year contracts or more aggressive renewal provisions that allow the State to control the renewal process.

- Fuel Adjustment Clauses** – Gasoline and diesel fuel are used in mining and transportation of salt. The price of diesel fuel in June 2008 when CMS posted the first Invitation for Bid was more than \$4.00 a gallon. Vendors that we talked to said that the price of fuel definitely had an impact on their bid price because vendors would have to account for any future price increases. Including a fuel adjustment clause would allow the risk for future increase in fuel to be shared between the purchaser and the vendor. Other states that we surveyed included fuel adjustment clauses in their salt contracts. CMS should consider adding a fuel adjustment clause to the Invitation for Bid for bulk rock salt. This may also include provisions for escalation (price increase) and de-escalation (price decrease) in the price of fuel.
- Establishing Delivery Points with Optional Pick-up for Local Governmental Units or Bidding Transportation Separately** – According to discussions with vendors, one of the reasons that some locations did not receive bids for rock salt was because of stockpile locations and the logistics involved in trucking and delivery. According to one vendor, transportation may account for as much as 50 percent of the cost per ton. Pick-up instead of delivery was not an option in the 2008 joint procurements. Another state we surveyed (Iowa) issued a bid with established delivery points. CMS should consider provisions for optional pick-up by participants or establishing general delivery points or requiring additional stockpile locations of vendors.

CHANGES TO THE PROCUREMENT PROCESS	
<p>RECOMMENDATION</p> <p style="font-size: 2em;">7</p>	<p><i>CMS should consider making changes to its joint procurement process for bulk rock salt in order to encourage competition and bidding and to protect the interest of participants.</i></p>
<p>DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE</p>	<p>CMS agrees that several unprecedented circumstances surfaced during the 2008-2009 bulk road salt procurement that required that changes be considered.</p> <p>CMS sought input from vendors, various other governmental entities who purchase salt, local governmental entities, the Office of the Attorney General, and the Office of the Auditor General. Upon consideration of input received, CMS made significant changes to the 2009-2010 Invitation for Bid.</p> <p>Relative to the suggested changes made within this report:</p> <p>Timing –The 2009-2010 season’s bid was due roughly 8 weeks earlier.</p> <p>Basis of Award – In the Invitation for Bid for the 2009-2010 season, opportunities for awards for both higher aggregation of multiple counties, group awards on the basis of minimum commitment percentages, and de-aggregation to individual location awards are all allowed for under the “Method of Award”. Our belief is that this will allow for highly competitive landscape, and for more vendor</p>

participation from a variety of sources. The changes in structure of the bid were derived considering participant responses during the survey and requisition process.

Guaranteed Percentages – The State’s Invitation for Bid for 2009-2010 allows for both 80% and 100% minimum commitment percentages at the participant’s choice. Maximum commitment percentages are at 120%. Last year, the minimum percentage in the initial solicitation was 70%, and the maximum percentage was 130%. While limiting a degree of flexibility, these tighter ranges of flexibility appear to have encouraged vendor participation and competitive, less risk-based pricing.

Stockpiling Requirements – CMS reviewed stockpiling requirements and more clearly defined “Upper Mississippi” and “all other” stockpile requirements within the 2009-2010 Invitation for Bid. Moving these dates later into the season was deemed potentially problematic for the participants, as this past season Illinois waterways froze earlier than normal (making river transport difficult). Additionally, an abnormally high number of snow/ice events occurred throughout December and January.

Bidder’s Conference – CMS did hold a Pre-Bid Conference on May 7, 2009 for the 2009-2010 Invitation for Bid. During this conference, the many changes to the bid were highlighted for the participating vendors.

Bid and Performance Bonds – CMS did consider both expanding the performance bond requirement, and whether a bid bond should be required.

In interests of seeking to drive a higher level of competition and encourage more vendor participation, it was decided to not require a bid bond nor to change the performance bond requirement at this time.

Delivery Requirements – In the 2009-2010 Invitation for Bid delivery requirements were redefined to be measured in work days (previously calendar days), with the State holiday schedule being utilized. Changes to hours of delivery cannot be practically dictated due to the high number (several hundred) local participants involved in the State’s procurement efforts for bulk road salt. Not all participants are able or willing to expand windows of delivery availability.

Liquidated Damages – CMS reviewed liquidated damages requirements and revised them to reflect work days rather than calendar days. Changes were not made to increase damage assessment values, believing that doing so would negatively impact vendor participation and likely increase offered pricing.

Multi-Year Contracts – The 2009-2010 Invitation for Bid contains an option for a 1-year renewal at the exclusive option of the State of Illinois.

Fuel Adjustment Clauses - The 2009-2010 Invitation for Bid does not include a fuel adjustment clause. In considering this potential change and in reviewing other states' clauses in this area, it was determined that the extremely high number of entities participating in the road salt procurements conducted by CMS make a location specific adjustment difficult to administer with resource constraints. Nearly 700 governmental entities are participating in the 2009-2010 procurement efforts of the State of Illinois for bulk road salt, with many more delivery locations represented. As each delivery point is fulfilled from a vendor stockpile location, the impact of fuel by delivery point is difficult to measure. This potentially poses an obstacle in evaluation of vendor offers as well as different vendors would have differing pricing components related to distance and fuel utilization. CMS is open to a discussion of alternate ideas of how this might be implemented and administered for future bid efforts.

Establishing Delivery Points with Optional Pick-up for Local Governmental Units or Bidding Transportation Separately - CMS considered avenues for local governmental units to pick-up supply from general delivery points in formulating the 2009-2010 Invitation for Bid. Discussions were held with representatives within both Lake and McHenry Counties in this regard. CMS decided to not pursue the alternative of general delivery points at this time – as the logistics of managing independent stockpiles are not presently in place and would require a degree of local cooperation outside of the State's involvement and control.

Bidding transportation separately was also considered and discussed, and in the interests of getting the 2009-2010 Invitation for Bid out, the decision was made to not include that within that effort. This area is continuing to be considered for future bid efforts.

Summary –

CMS made significant changes to the 2009-2010 Invitation for Bid, and others continue to be considered for future bid efforts. The nuances of the salt market do change from season to season, requiring a dynamic approach each year.

While the 2009-2010 bid process is underway, and specific comment relating to an open procurement is not appropriate, it appears that these changes have had a significant and favorable impact on the 2009-2010 bid effort.

Chapter Three

OTHER STATES AND NON-PARTICIPANTS

CHAPTER CONCLUSIONS

Other states that we surveyed also experienced problems in obtaining rock salt for the 2008-2009 winter season. Most states experienced areas with no bids and/or substantially increased prices resulting in some states rejecting bids for locations and counties. There are many factors that affect pricing from state to state, and even within this State, including supply and demand, contract terms, and transportation costs among others. Recognizing that there are many factors that impact comparability of prices paid by various states, Illinois paid slightly more on average per ton than other states we surveyed.

We surveyed non-participants including some that had participated in the CMS joint procurement in the past. The amount paid by non-participants we surveyed varied greatly just as it did for those that participated in the joint procurement. Some non-participants surveyed simply did not purchase salt this year. Non-participants suggested CMS do the following to improve the procurement process:

- Aggregate communities.
- Go out for bids earlier.
- Provide a quicker response to deliveries of salt when ordered.
- Not award contracts unless all counties are given ample time to submit requests.
- Level the playing field regarding pricing and delivery charges.
- Tell participants when they are not in the joint procurement.

CMS needs to improve its communications with local government participants by providing full disclosure of terms and conditions, providing accurate information in communications and memos, and giving local governments adequate time to make decisions. CMS did not provide the full terms and conditions of the Invitation for Bid to participants. CMS also provided terms to local governmental participants in memos, then changed these terms. CMS gave local government participants very short timeframes to make decisions related to commitments for the procurement. Some local governments we contacted were not aware they could participate in the joint procurement (City of Carthage), while others claimed that they thought they were participating (Village of Camp Point) or that CMS had lost or misplaced their requests to participate (City of Charleston).

OTHER STATES

We surveyed other Midwestern states to determine their rock salt procurement practices. We contacted Iowa, Ohio, Wisconsin, Indiana, and Missouri. Of the five states contacted, Iowa, Ohio, and Wisconsin have a program for jointly procuring rock salt for use on roads and highways. Missouri's procurement was only for the Missouri Department of Transportation (MODOT) locations; however, the solicitation includes a form for vendors to complete regarding whether they are willing to provide salt to local governments at the same price offered to MODOT. Indiana's reverse auction was primarily for the Indiana Department of Transportation, but also included some correctional facilities. Like Illinois, Wisconsin and Ohio have statutory programs allowing joint purchasing of supplies such as rock salt.

In addition to Illinois, many other Midwestern states experienced sharp increases in the cost of rock salt. Some states either had areas that did not receive bids (Ohio and Wisconsin) or rejected bids (Iowa and Missouri) because of the price. The Ohio Department of Transportation (ODOT) recently investigated the price increases in its 2008 procurement of rock salt. The investigation concluded that the 2008 letting results significantly departed from ODOT's historical experiences in terms of lower competition and higher prices.

According to CMS there are many factors that do not allow for a perfect comparison between states.

- Size of request - Illinois' Invitation for Bid requested 1.8 million tons. Other states' bid amounts were much smaller.
- Number of entities participating – In Illinois, 630 entities with 762 locations participated in the CMS' 2008 joint procurement including IDOT and the ISTHA. This is more than any of the other states we surveyed.
- Use of joint purchasing - Some states do not use joint purchasing or do not use it to the extent that Illinois does.
- One state renewed its contracts from the previous year for most locations (Wisconsin), which resulted in significantly lower prices per ton. Wisconsin only solicited bids for 6 of 72 counties in 2008. Two of the six counties in the solicitation did not receive a bid.
- Contract provisions vary among states, which can affect bid prices. These provisions include the basis of award, guaranteed purchase amount (i.e. min/max percentages), delivery requirements, and liquidated damages.

Other States Comparisons

Although there are many factors that make comparisons between states difficult, Illinois paid slightly more than other states we surveyed. The experience in Illinois for 2008 was not

unique, however, and every state in the Midwest that we surveyed experienced a significant increase in the price of rock salt.

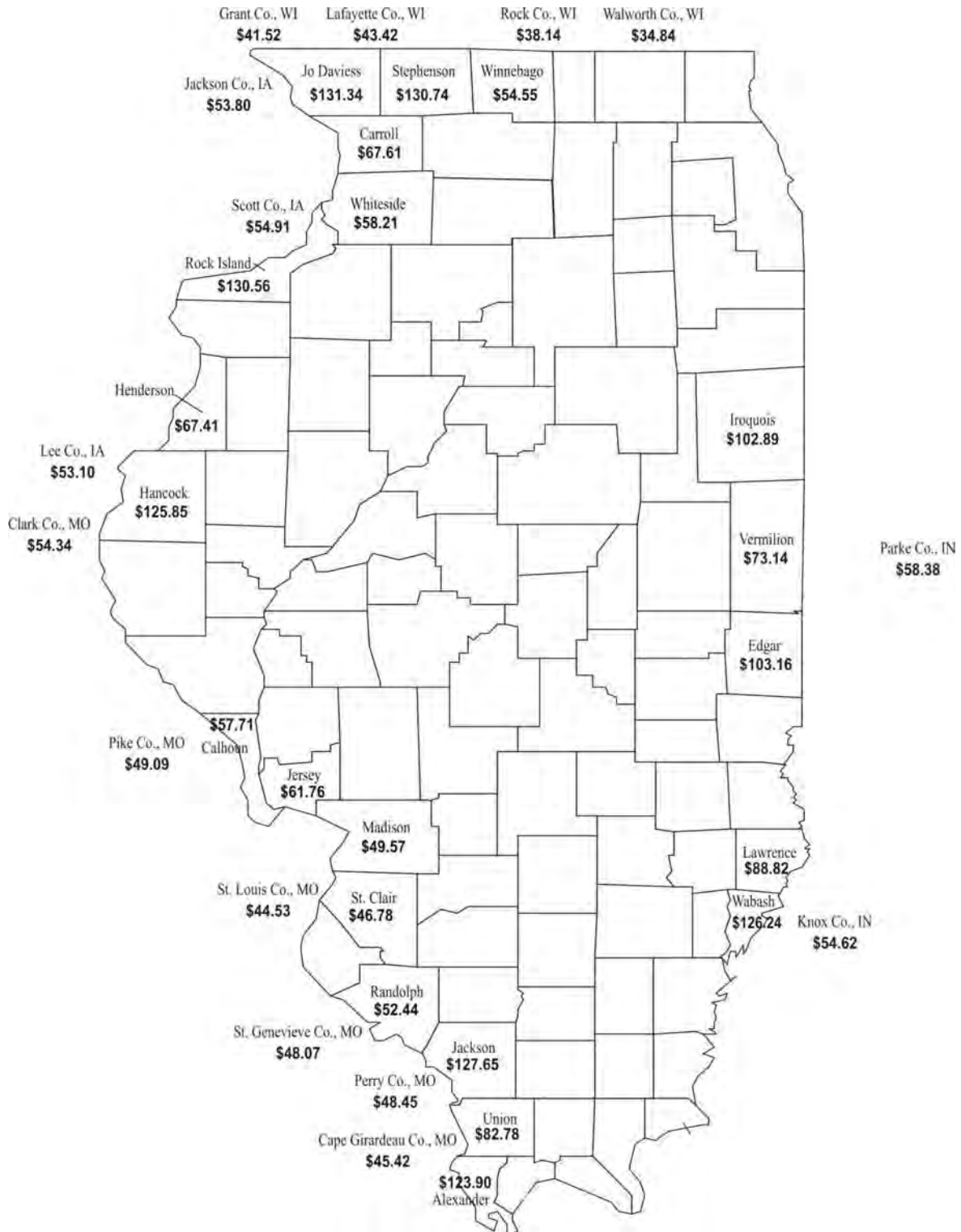
We surveyed surrounding states, including Indiana, Iowa, Missouri, Ohio, and Wisconsin. Although in some cases we received limited information from these states’ officials, we were able to obtain the contracts and summarize information to make comparisons. Exhibit 3-1 through Exhibit 3-3 compare the rock salt procurements and contracts of Illinois and these other states.

Exhibit 3-1 2008-2009 ROCK SALT CONTRACTS BY STATE Comparison of Procurement Dates, Amount, and Pricing					
State	Date First Offered	Bid Opening Date	Tons of Salt Awarded	Total Dollars	Average Price Per Ton
Illinois	June 20, 2008	July 16, 2008	1,348,829	\$91,227,637	\$67.63
Indiana	April 28, 2008	May 16, 2008	408,105	\$23,401,452	\$57.34
Iowa	April 30, 2008	May 21, 2008	323,915	\$19,973,008	\$61.66
Missouri	May 12, 2008	May 29, 2008	281,405	\$15,091,864	\$53.63
Ohio	Unknown	August 21, 2008	487,860	\$30,476,614	\$62.47
Wisconsin	Renewed and June 27, 2008	Renewed and July 15, 2008	679,110	\$32,537,754	\$47.91

Source: OAG survey of other states.

Information for Illinois in Exhibit 3-1 represents only the first solicitation. Illinois’ first solicitation was issued June 20, 2008, and bids were opened on July 16, 2008. Illinois, like several other states in the Midwest, conducted more than one solicitation for rock salt. Also, of the five states we surveyed three requested bids a second time (Iowa, Missouri, and Ohio). On July 25, 2008, Illinois rebid locations that did not receive a bid. Illinois also purchased rock salt through emergency purchases. Iowa, Missouri, and Ohio also rebid their salt procurements. Iowa’s first solicitation was sent to vendors April 30, 2008, and bids were due May 21, 2008. Iowa tried to rebid Department of Transportation locations only but no bids were received. Missouri opened bids for its first solicitation May 29, 2008. Missouri rebid locations on June 10, 2008. Ohio first opened bids on August 21, 2008, and then again September 5, 2008. Wisconsin renewed contracts for 66 of 72 counties. The remaining 6 counties were solicited June 27, 2008, with only 4 of the six receiving bids. The average price for those four counties was \$83.64 per ton. Indiana uses a reverse auction process in which suppliers enter their price quotes and bid down the price until a pre-determined time period ends. Indiana’s reverse auction was conducted May 16, 2008.

**Exhibit 3-2
BORDER STATE SELECTED COUNTY COMPARISONS**



Note: Missouri bid prices represent replenish prices.

Source: OAG analysis of bids by county for border states.

Timing of Solicitations

Of the states we contacted, Illinois was one of the last states in the Midwest to issue its solicitation for rock salt in 2008. By that time, much of the rock salt supply had been committed to other states. Indiana and Iowa were the earliest to solicit offers for rock salt in April 2008 followed by Missouri in May 2008. All of three states which issued their solicitations before Illinois got a lower price per ton bid. Wisconsin, which only bid six counties, and Ohio sent their offers out after Illinois. Wisconsin only received bids for 4 of 6 counties with an average price of \$83.64 per ton. Ohio did not receive bids for 25 of 88 counties and the average price for bids was \$62.47. Ohio did not open bids for rock salt until August 21, 2008.

Amount of Rock Salt Procured

Illinois requested more tons of rock salt in its first solicitation than any other State we surveyed. Illinois' first solicitation for the joint procurement of bulk rock salt requested bids for more than 1.8 million tons of salt. Illinois actually awarded contracts for a total 1.5 million tons of salt in 2008. The amount of rock salt procured by other Midwestern states ranged from 281,405 tons in Missouri to 679,110 tons in Wisconsin.

Average Price Per Ton

On average Illinois paid higher prices (an average of \$67.63) than other states we surveyed for the first solicitation. The average price per ton for the Midwestern states surveyed varied from \$62.47 in Ohio to \$47.91 in Wisconsin. However, Wisconsin's prices were lowest because it renewed contracts. For the four counties in Wisconsin that received bids for 2008, the average price was \$83.64. Several state averages may be lower because they rejected some of the highest bids in their first solicitations (Iowa and Missouri). CMS did not reject any bids in the first solicitation.

Although on average Illinois paid slightly more than other states, other states also experienced the same wide range of prices. In Illinois' first solicitation, prices ranged from a low of \$46.78 to a high of \$140.61. Although Ohio reported its average price per ton was \$62.47, the range was very similar from a low bid price of \$41.57 to a high bid price of \$150.11.

Exhibit 3-3 2008-2009 ROCK SALT CONTRACTS BY STATE Comparison of Contract Participants, Provisions, and Bids					
State	Procured Jointly	Total Participants or Locations	¹ Guaranteed Min/Max	Liquidated Damages	Participant or Locations With No Bids or Rejected Bids
Illinois	Yes	630 participants 762 locations 893 bid lines	²70/130	Yes	156 participants 171 locations 191 bid lines received no bids
Indiana ³	No	N/A	N/A	N/A	1 bid line received no bid
Iowa	Yes	89 participants 193 locations	80/130	Yes	44 locations rejected bids
Missouri	No	N/A	N/A /150	Yes	17 counties rejected bids
Ohio	Yes	240 participants 88 counties	50/120	Yes	25 of 88 counties received no bids
Wisconsin ⁴	Yes	319 participants 72 counties	100 + 15% reserve	Yes	2 of 6 counties bid received no bids
Note: ¹ Guaranteed Min/Max refers to the minimum and maximum purchase percentages required in the contracts. ² One contract maximum was reduced to 100 percent instead of 130 percent. ³ Indiana used a reverse auction process. ⁴ Wisconsin renewed contracts for all but 6 counties. Source: OAG survey of other states.					

Total Participants and Bids

Illinois had more participants than any other state we surveyed. Illinois' 2008 joint procurement of bulk rock salt initially included 630 participants at 762 locations with 893 bid lines. Of those, 191 bid lines did not receive a bid, or about 21 percent, for Illinois' first solicitation.

The Wisconsin Department of Transportation (Wisconsin DOT) reported a total of 319 participants in 72 counties. Of the 72 counties, 66 were contract renewals, leaving only six counties that solicited salt in 2008. Wisconsin DOT reported that two counties did not receive bids, which is approximately 2.8 percent of the total counties (including the renewals). However, because 66 counties were renewals, 33.3 percent (2 of 6) of the counties that were actually bid did not receive a bid.

Iowa's Department of Transportation (Iowa DOT) reported a total of 193 locations, which consisted of 105 DOT, 43 counties, 42 cities, and 3 other locations. Iowa DOT reported that all locations received a bid; however, there were multiple DOT and political subdivision locations

that rejected the bids. Rejected bids ranged from \$60.90 to \$178.32 per ton. These locations were rebid but no bids were received.

Ohio’s Department of Transportation (ODOT) reported a total of 240 participants from 88 counties. ODOT reported 28 percent of their counties (25 of 88) did not receive bids for the first solicitation. Ohio, like Illinois, rebid locations in a second solicitation.

Missouri and Indiana do not jointly procure rock salt. Missouri rejected bids in 17 counties. Indiana’s procurement process is operated as a reverse auction and one line did not receive a bid.

Basis of Award

We reviewed invitations for bid and contracts from Indiana, Iowa, Missouri, Ohio, and Wisconsin to compare requirements and provisions that may have an effect on bidding. Of the five states we surveyed, all award to the low compliant bidder on a county-wide basis or by individual locations. Like Illinois, Wisconsin, Iowa, and Ohio award bids on a county-wide basis.

Transportation and Delivery Costs

Illinois’ bid prices include transportation and delivery to the bid location. All of the five states surveyed also included transportation and delivery in the bid price for each location. Iowa allowed the option in its solicitation to pick up salt at a DOT stockpile.

Fuel Adjustment

Of the five states contacted, two had included or added fuel adjustment clauses to their salt contracts. Iowa included a fuel adjustment clause in its contract. Missouri added a fuel escalation clause to its replenishment contract by issuing an addendum to the solicitation. None of the three solicitations conducted by Illinois contained fuel adjustment provisions.

Liquidated Damages

All of the other states we surveyed that issued an Invitation for Bid included a liquidated damages clause. Indiana uses a reverse auction and we could not determine from its survey and other information whether it uses liquidated damages. The damages provisions in the other states included late delivery, out of specifications, and moisture content. Illinois also includes these provisions. Many of the liquidated damages provisions for late delivery in other states are more aggressive than the provisions included in the Illinois salt contract.

- Iowa’s liquidated damages clause states, “Any portion of a salt order delivered past the allowed ten (10) business day delivery schedule, (except for those allowed extra delivery days based on size of order), may be subject to a one dollar and fifty cent per ton (\$1.50/ton) reduction in cost.”

- Wisconsin's liquidated damages clause states, "A two hundred dollar (\$200.00) deduction from the total price of all loads to a specific destination may be taken for each day at each destination for which delivery is requested on form DT2208 where the delivery arrival rate averaging three (3) or more loads per hour with no more than 90 minutes between any two deliveries, or other mutually agreed to rate, is not maintained."
- Ohio's liquidated damages clause states, "If actual and direct damages are uncertain or difficult to determine, the State may recover liquidated damages in the amount of 1% of the value of the order, deliverable or milestone that is the subject of the default for every day that the default is not cured by the vendor."
- Missouri requires that in the event the vendor fails to make delivery within the allotted time, a deduction of 1% of the contract price per ton may be made for each day of delay, up to a maximum of 30% of the contract price for the material.
- For Illinois, the liquidated damages provisions included in CMS' 2008 joint procurement Invitation for Bid required that *"From 11/1/08 – 4/1/09, if the vendor is unable to make delivery within the authorized delivery time, the State shall have the right to retain as liquidated damages, and not as a penalty, \$.20 per ton per calendar day on the undelivered portion of the order."*

Guaranteed Purchase Provisions (Minimum/Maximum Percentages)

The percentage of minimum and maximum purchases varied between the states we surveyed. Illinois' first solicitation included provisions for 70/130, meaning the joint procurement participants agreed to purchase at least 70 percent of the tonnage but reserved the right to purchase up to 130 percent.

- Ohio initially included a 50/150 purchase requirement but changed this to 50/120 after the invitation for bid was issued. For the second solicitation Ohio changed the provisions to 80/100.
- Iowa reported its contract provisions contained a min/max of 80/130.
- Wisconsin contracts do not contain guaranteed min/max provisions. Instead the contracts guarantee that it will purchase 100 percent of what is requested but also include a 15 percent vendor reserve on top of that. In effect it is 100/115.
- Missouri only included a maximum amount that could be purchased (150 percent).

NON-PARTICIPANTS

We selected a judgmental sample of entities that did not participate in CMS' joint procurement and surveyed them to determine the price they paid for salt for the 2008 winter

season. These included local governments that had participated in the joint procurement in the past and some that had never participated. Out of the 25 localities we surveyed, 17 provided responses. The localities that responded included six villages, three township road districts, four county highway departments, one park district, and three cities (Carthage, Charleston, and Chicago). Exhibit 3-4 shows the prices paid by these non-participants compared to what they would have paid if they would have participated in the CMS 2008 joint procurement.

Some Did Not Purchase Salt in 2008

We found that five local governments surveyed did not purchase salt. One local government (Springfield Township Highway District) told us that it used salt left over from the previous year and mixed it with sand. Another (Tolono) stated that it used what it had left over from the previous year because they weren't able to obtain any more salt. One community replied that it simply did not use salt on streets (Teutopolis). Two other localities stated that they did not need or did not purchase additional salt (Crossville & Carthage).

Exhibit 3-4 NON-PARTICIPANT SURVEY				
Name	County	Procured Salt In 2008?	Average Price/Ton Paid	CMS Price/Ton
Village of Winthrop Harbor	Lake	Yes	\$131.88	\$138.52
Village of Camp Point	Adams	Yes	\$52.00	\$50.68
Tazewell County Highway Department	Tazewell	Yes	\$49.65	\$49.55
Madison County	Madison	Yes	\$81.00	\$49.57
Cary Park District	McHenry	Yes	\$125.90	\$138.52
City of Charleston	Coles	¹	¹	\$96.44
Palos Township	Cook	Yes	\$119.76	\$51.40-\$159.31
Woodford County Highway Department	Woodford	Yes	\$117.50	\$55.71
Stark County	Stark	Yes	\$121.00	\$58.46
City of Chicago	Cook	Yes	\$38.04	\$51.40-\$159.31
Staunton Township	Macoupin	Yes	\$94.28	\$62.92
Village of Hainesville	Lake	²	²	\$138.52

Notes:
¹ The city of Charleston responded that it did not participate in the 2008 joint procurement because CMS lost its paperwork. Although Charleston was not listed in the first invitation for bids it was later added to the contract issued to North American Salt with an October 31, 2008 amendment.
² Although the village of Hainesville did not participate in either the first or second solicitations, it was included in the CMS emergency purchase with International Salt.

Source: OAG survey of non-participants.

Reasons for Not Participating in the Joint Procurement

The reasons non-participants gave for not participating in CMS' joint procurement varied greatly. Some localities said they do not participate because they can get a better price for salt on their own. One locality said that in the past it was able to buy salt as needed from suppliers at a price per ton that was close to CMS' price. This locality stated that it was a benefit to be able to purchase salt as needed rather than having to commit to a defined quantity in the joint procurement. Another stated that it wasn't aware that CMS did a joint procurement for salt. One respondent indicated that it wanted to participate in the joint procurement, but their paperwork was lost. This respondent (city of Charleston) was added by amendment to one of the contracts that resulted from the first solicitation.

Vendors

For the survey respondents that did purchase salt, some bought directly from one of the major vendors (e.g. Morton, Cargill, and International Salt) that received awards for CMS' 2008 joint procurement. Others bought salt through a county consortium or another local community. One survey respondent purchased salt from a major vendor through a trucking company. The city of Chicago goes through its own procurement process to get bids for salt. In 2007, Chicago signed two year contracts with North American, Morton, and Detroit. These contracts did not include any automatic price adjustments, so while the CMS joint procurement participants paid prices that were double or triple the previous year, Chicago was able to maintain much lower prices per ton for salt. Unless Chicago's two-year contracts are renewed, it will be forced to go through the bidding process in 2009.

Suggestions for CMS

Some survey respondents we contacted had suggestions for CMS to improve the joint procurement for salt. Suggestions that were made by non-participants included:

- CMS should aggregate communities and go out for bids earlier.
- One local government stated that it has a small storage site, and they would like a quicker response to deliveries of salt when ordered.
- One local government stated that it doesn't think contracts should be awarded unless all counties are given ample time to submit requests, and that the playing field should be leveled regarding pricing and delivery charges.
- One local government wished it had been told it was not in the joint procurement before it was time to buy salt.

Changes for the 2009 Procurement

When asked if they will make any changes for the 2009 salt procurement, seven non-participants survey respondents indicated that they would be joining the 2009 CMS joint procurement. One respondent that is part of a county consortium for buying salt said its bid

usually goes out in August but it plans to request bids in June or July this year. Another stated that it is participating in both CMS' joint procurement and a consortium of 18 townships. One community stated that a new consortium of municipalities from two different counties has been meeting and discussing alternatives to CMS' joint procurement.

JOINT PARTICIPANTS THAT DROPPED OUT

After the second solicitation, there remained 96 locations that did not receive bids. Of the 96 remaining locations, we identified 47 participants that, after two solicitations, dropped out of the joint procurement process. We selected a judgmental sample of these entities and surveyed them to determine why they dropped out of the joint procurement and how they procured salt for their communities. Out of the 10 localities we surveyed, nine provided responses (see Exhibit 3-5).

Reasons for Dropping Out

There were two main reasons that participants dropped out of the joint procurement after the second solicitation. Five of the survey respondents stated that CMS was not getting bids for their counties and there was no guarantee they would get salt, so they decided to pursue other alternatives. Three other respondents stated that the price through CMS was getting too high, and they thought they might be able to do better on their own. One other locality dropped out because of very tight deadlines from CMS.

How They Obtained Salt

Two of the survey respondents stated that their county Department of Transportation, along with several Township Highway Commissioners, decided to jointly purchase salt. The salt was delivered to the county's Department of Transportation and the Highway Commissioners picked up the salt and delivered it to various townships. One respondent obtained salt through a consortium with other townships. The six other survey respondents purchased salt directly from major vendors or secondary suppliers, such as Farm Services groups. One of these communities said its salt came all the way from Utah and another paid semi-truck drivers to go to a stockpile and pick up salt, then deliver it to their community. The respondents paid prices ranging from \$125 to \$150 per ton for the salt.

Suggestions for CMS

Several of the survey participants stated that they thought CMS should have allocated a portion of the salt received through the bidding process to the communities that did not receive bids. For example, since the minimum purchase amount was 70 percent and the maximum purchase amount was 130 percent, CMS should have limited the amount communities could buy to 70 percent and given the rest to the no-bid counties. One community suggested that CMS could have limited the purchases to 95 percent and given the other 5 percent to the no-bid counties. Other suggestions included going out for bid earlier, changing the min/max to 80/120,

having more storage facilities in the northern part of the state, and awarding multiple vendors in a single county.

Changes for Next Year

Eight of the nine survey respondents said they are planning to participate in CMS' joint procurement for the coming year. Two communities stated that they will also be participating in a township consortium in addition to CMS' joint procurement. One respondent indicated that in addition to the two previous options, his community will also be part of a county bid and it will continue to try to procure salt on their own in pursuit of the best price. One respondent said it was planning to procure salt through a consortium of townships.

Exhibit 3-5 JOINT PROCUREMENT PARTICIPANTS THAT DROPPED OUT			
Name	County	Average Price/Ton Paid	CMS Emergency Purchase Price/Ton
Village of Bull Valley	McHenry	\$132	\$138.52
Warren Township Highway Department	Lake	\$138	\$138.52
Fremont Township Highway Department	Lake	\$138	\$138.52
Cuba Township Highway Department	Lake	\$132	\$138.52
Algonquin Township Road District	McHenry	\$134.51 ¹	\$138.52
Village of Fox River Grove	McHenry	\$145	\$138.52
City of Waukegan Public Works	Lake	\$127.50	\$138.52
Village of Cary	McHenry	\$134.50	\$138.52
Richmond Township Road District	McHenry	\$139.92	\$138.52
Notes: ¹ Algonquin Township Road District average price per ton is a weighted average. Source: OAG survey of joint purchasing participants that dropped out.			

COMMUNICATION WITH LOCAL GOVERNMENT PARTICIPANTS

CMS needs to improve its communications with local government participants by providing full disclosure of terms and conditions, providing accurate information in communications and memos, and giving local governments adequate time to make decisions.

CMS did not provide the full terms and conditions of the Invitation for Bid to participants. Only the general or major terms were provided to participants for the 2008 joint procurement. According to information received from one local government participant, joint procurement participants do not see the complete bid specifications of the contract. In order to make an informed decision, potential participants needed to see the complete and detailed terms that will be included in the Invitation for Bid and contracts they will be using.

There were instances of CMS providing terms to local governmental participants in memos and then changing these terms. For instance,

- The February 14, 2008 survey for participation stated that the vendor would agree to furnish not less than 130 percent of the amount requested. For the majority of participants, this was changed to 100 percent when CMS revised the terms and conditions of Cargill's contract. There were also other changes to ordering guidelines and delivery dates that affect local participants. These changes were ultimately communicated to joint purchasing participants in counties won by Cargill in a CMS memo dated September 8, 2008.
- On August 20, 2008, CMS notified joint participants in a memo that an alternative offer had been received that would meet approximately 48 percent of their needs. Local government participants which accepted the alternative were notified in a September 2, 2008 memo from CMS of the tonnage of solar salt they had committed to procure for the participant. Our analysis shows that only approximately 27 percent of the initial requests were supplied.

CMS gave local government participants very short timeframes to make decisions related to commitments for the procurement. In some instances local participants were given only a day to reply regarding whether they would commit to a certain price and what if any additional tonnage would be needed. For example, on September 2, 2008, CMS sent a memo notifying the village of Bartlett that it had been able to secure 955 tons of solar salt at a price of \$100.19 per ton and that any additional salt would be at a price of \$159.31 per ton. The Village of Bartlett was given until 4:00 pm on September 3, 2008, to respond with any desired tonnage of additional salt. Although CMS may have been operating under short timeframes with salt vendors, asking joint participants to agree to increases of 50 percent or more in a 24 hour period does not allow adequate time for notification of city councils or county boards.

Some local governments we contacted were not aware they could participate (city of Carthage) while others claimed that they thought they were participating (village of Camp Point) or that CMS had lost or misplaced their requests to participate (city of Charleston).

COMMUNICATION WITH LOCAL GOVERNMENT PARTICIPANTS	
<p>RECOMMENDATION</p> <p style="font-size: 2em;">8</p>	<p><i>CMS should:</i></p> <ul style="list-style-type: none"> • <i>Provide full detailed terms and conditions of the invitation for bid when surveying locals for participation;</i> • <i>Confirm participant requests and non-participation with local governments;</i> • <i>Provide accurate information in memos and not change terms after notification; and</i> • <i>Give local government participants adequate time to make informed decisions.</i>
<p>DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE</p>	<p>CMS agrees with the recommendation, with limited exception and with the following clarifications.</p> <p><i>Provide full detailed terms and conditions of the Invitation for Bid when surveying locals for participation</i> We have historically provided summary information related to terms and conditions as part of the survey process. The information returned to us as a result of the survey process is instrumental and is utilized in defining the detailed terms to be included within the Invitation for Bid. As one example, quantities desired and geographic delivery locations need to be fully understood to define any possible aggregation of delivery points for purposes of defining “Method of Award” within the Invitation for Bid.</p> <p>CMS greatly expanded the information provided to participants through the requisitioning process for the 2009-2010 season, providing retrospective information on the 2008-2009 process, an explanation of the procurement process including changes from 2008-2009, anticipated terms for the 2009-2010 season, and an explanation of the opt-in nature of the process as a whole.</p> <p><i>Confirm participant requests and non-participation with local governments</i> We agree that this is a desirable practice, and we are continuing to explore avenues to accomplish it on a consistent basis.</p> <p><i>Provide accurate information in memos and not change terms after notification</i> We agree that providing accurate and firm information provides for the best relationships.</p> <p><i>Give local government participants adequate time to make informed decisions.</i> CMS did impose shortened timelines on local entities as part of the second solicitation and the emergency procurement. In these cases, vendors had imposed timelines for acceptance upon CMS, which, if not met, would have allowed the offer to be withdrawn.</p>

APPENDICES

APPENDIX A
Legislative Audit Commission
Resolution No. 138

Legislative Audit Commission

RESOLUTION NO. 138

Presented by Representative Mautino

WHEREAS, the Governmental Joint Purchasing Act authorizes governmental units to purchase personal property, supplies, and services jointly with one or more other governmental units through a competitive bid process;

WHEREAS, the Governmental Joint Purchasing Act provides that when the State of Illinois is a party to the joint purchase agreement, the Illinois Department of Central Management Services (CMS) shall conduct the letting of bids;

WHEREAS, on June 20, 2008 CMS issued Solicitation No. 222600 (the "Original Solicitation") requesting bids for bulk rock salt to be used for ice control by the Department of Transportation, the Illinois State Toll Highway Authority, other State agencies, and over 700 units of local government in 98 counties statewide (the "pool participants");

WHEREAS, responses to the Original Solicitation were due on July 16, 2008; responses were submitted by four vendors, but none of the responses received by CMS for the Original Solicitation contained bids for the salt requirements for the majority of the pool participants located in Cook County, or for any of the pool participants located in Boone, Lake or McHenry County;

WHEREAS, the winning bids for pool participants that received bids in the Original Solicitation ranged from \$46 per ton to \$141 per ton, with some pool participants who are situated close to each other geographically receiving widely disparate bid prices;

WHEREAS, on July 25, 2008, CMS issued Solicitation No. 223231, a Supplemental Re-bid seeking bids for the salt requirements of the pool participants in Cook, Boone, Lake and McHenry County ("the Re-bid");

WHEREAS, responses to the Re-bid were due on August 12, 2008; responses to the Re-bid were submitted by three vendors and covered certain pool participants in Cook, Boone and McHenry County, with bids ranging from \$96 to \$171 per ton;

WHEREAS, on August 19, 2008, CMS advised the remaining pool participants in Lake and McHenry County that, if they wished CMS to continue efforts to procure salt for them, they would have to commit to a price per ton in the range of \$145 to \$165; and

WHEREAS, on August 21, 2008, CMS awarded contracts in a total amount of \$182,293,805.48 to the four vendors that responded to the Original Solicitation, notwithstanding the vendors' failure to submit bids for the salt requirements of the pool participants in Cook, Boone, Lake and McHenry County;

WHEREAS, on August 28, 2008, certain pool participants in Lake and McHenry County submitted a bid protest, claiming, pursuant to the Governmental Joint Purchasing Act and the Illinois Procurement Code, and the rules promulgated thereunder that; (1) the proposals submitted in response to the Original Solicitation were materially incomplete due to their failure to provide bids for the salt requirements of all governmental units participating in the joint procurement; (2) CMS should have rejected the bids as non-responsive; and (3) CMS should conduct an investigation into the bidding activities of the responding vendors to ensure that the vendors complied with all applicable State laws;

WHEREAS, on August 29, 2008, CMS awarded \$19,564,788.68 in contracts to two of the three vendors responding to the Re-bid, notwithstanding their failure to submit a bid for the salt requirements of the pool participants in Lake and McHenry County in either the Original Solicitation or the Re-bid;

WHEREAS, on September 4, 2008, CMS issued a no-bid, emergency purchase award in the amount of \$8,597,382.32 to one of the vendors that had received an award under the Original Solicitation and submitted a response to the Re-bid, but had not submitted a price for pool participants in Lake or McHenry County in either solicitation;

WHEREAS, information in the press indicates that certain local governments not participating in the joint procurement, but located in geographic proximity to certain pool participants, were able to obtain bulk rock salt at more competitive prices than the pool participants;

WHEREAS, because a sealed bid process was used by CMS, bid documents are not accessible, and CMS has not provided information that would explain the price fluctuations for rock salt within and outside of the joint purchasing pool; therefore

BE IT RESOLVED, BY THE LEGISLATIVE AUDIT COMMISSION that the Auditor General is directed pursuant to Section 3-2 of the Illinois State Auditing Act to conduct a management audit of CMS' joint purchasing procurements of bulk rock salt in 2008 to determine whether good procurement practices were exercised in accordance with applicable State laws and rules; and be it further

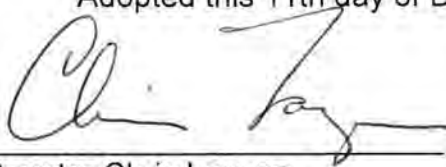
RESOLVED, that the audit include, but not be limited to, the following determinations:

- Whether the procurements complied with applicable State laws and rules;
- Whether the procurements were done in a timely manner;
- Whether the prices paid as a result of the procurement process were significantly higher than those paid by neighboring states or local governments that did not participate in the CMS joint procurement process; and

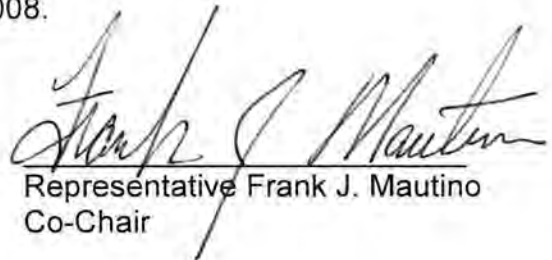
BE IT FURTHER RESOLVED, that the Department of Central Management Services and any other State agency, entity, or person that may have information relevant to this audit cooperate fully and promptly with the Auditor General's Office; and be it further

RESOLVED, that the Auditor General commence this audit as soon as possible and report his findings and recommendations upon completion in accordance with the provisions of Section 3-14 of the Illinois State Auditing Act.

Adopted this 11th day of December, 2008.



Senator Chris Lauzen
Co-Chair



Representative Frank J. Mautino
Co-Chair

APPENDIX B
Awards by Location
First Solicitation
(#222600)

Appendix B
First Solicitation Awards (#222600)

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Adams County Highway Department, Quincy	Local	Adams	3,000	\$50.68	\$152,040.00	Cargill Salt Div.
Adams County, Dist. 6	IDOT	Adams	300	\$50.68	\$15,204.00	Cargill Salt Div.
Adams County, Dist. 6	IDOT	Adams	4,100	\$50.68	\$207,788.00	Cargill Salt Div.
Burton Road District Liberty	Local	Adams	50	\$50.68	\$2,534.00	Cargill Salt Div.
Clayton, Village of	Local	Adams	80	\$50.68	\$4,054.40	Cargill Salt Div.
Ellington Township Quincy	Local	Adams	350	\$50.68	\$17,738.00	Cargill Salt Div.
Gilmer Township, Fowler	Local	Adams	125	\$50.68	\$6,335.00	Cargill Salt Div.
Golden, Village of	Local	Adams	70	\$50.68	\$3,547.60	Cargill Salt Div.
Melrose Township Road District, Quincy	Local	Adams	1,000	\$50.68	\$50,680.00	Cargill Salt Div.
Quincy, City of	Local	Adams	4,200	\$50.68	\$212,856.00	Cargill Salt Div.
Riverside Township Quincy	Local	Adams	100	\$50.68	\$5,068.00	Cargill Salt Div.
Ursa TWP Road Dist	Local	Adams	50	\$50.68	\$2,534.00	Cargill Salt Div.
Adams Total			13,425		\$680,379.00	
Adams Weighted Average price/ton				\$50.68		
Alexander County Highway Dept, Olive Branch	Local	Alexander	100	\$123.90	\$12,390.00	North American Salt Co.
Alexander County, Dist. 9	IDOT	Alexander	950	\$123.90	\$117,705.00	North American Salt Co.
Alexander County, Dist. 9	IDOT	Alexander	250	\$123.90	\$30,975.00	North American Salt Co.
Alexander Total			1,300		\$161,070.00	
Alexander Weighted Average price/ton				\$123.90		
Bond County, Dist. 8	IDOT	Bond	900	\$61.40	\$55,260.00	Cargill Salt Div.
Bond County, Dist. 8	IDOT	Bond	1,000	\$61.40	\$61,400.00	Cargill Salt Div.
Greenville, City of	Local	Bond	350	\$61.40	\$21,490.00	Cargill Salt Div.
Bond Total			2,250		\$138,150.00	
Bond Weighted Average price/ton				\$61.40		

Appendix B
First Solicitation Awards (#222600)

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Brown County, Dist. 6	IDOT	Brown	1,700	\$48.90	\$83,130.00	Cargill Salt Div.
Brown Total			1,700		\$83,130.00	
Brown Weighted Average price/ton				\$48.90		
Bureau County Highway Department, Princeton	Local	Bureau	2,400	\$51.49	\$123,576.00	Cargill Salt Div.
Bureau County, Dist. 3	IDOT	Bureau	2,000	\$51.49	\$102,980.00	Cargill Salt Div.
Bureau County, Dist. 3	IDOT	Bureau	8,700	\$51.49	\$447,963.00	Cargill Salt Div.
Princeton, City of	Local	Bureau	1,000	\$51.49	\$51,490.00	Cargill Salt Div.
Spring Valley, Bureau	Local	Bureau	300	\$51.49	\$15,447.00	Cargill Salt Div.
Walnut TWP Rd Dist, Bureau	Local	Bureau	125	\$51.49	\$6,436.25	Cargill Salt Div.
Walnut, Village of, Bureau	Local	Bureau	100	\$51.49	\$5,149.00	Cargill Salt Div.
Bureau Total			14,625		\$753,041.25	
Bureau Weighted Average price/ton				\$51.49		
Calhoun County Road Dist.	Local	Calhoun	225	\$57.71	\$12,984.75	Cargill Salt Div.
Calhoun Total			225		\$12,984.75	
Calhoun Weighted Average price/ton				\$57.71		
Carroll County Highway Dept, Mt. Carroll	Local	Carroll	2,600	\$67.61	\$175,786.00	North American Salt Co.
Carroll County, Dist. 2	IDOT	Carroll	1,460	\$67.61	\$98,710.60	North American Salt Co.
Carroll County, Dist. 2	IDOT	Carroll	3,000	\$67.61	\$202,830.00	North American Salt Co.
Cherrygrove Shannon Township	Local	Carroll	170	\$67.61	\$11,493.70	North American Salt Co.
Elkhorn Grove TWP, Milledgeville, Carroll	Local	Carroll	50	\$67.61	\$3,380.50	North American Salt Co.
Freedom Township	Local	Carroll	200	\$67.61	\$13,522.00	North American Salt Co.
Lannark City of	Local	Carroll	212	\$67.61	\$14,333.32	North American Salt Co.
Milledgeville, Village of	Local	Carroll	150	\$67.61	\$10,141.50	North American Salt Co.
Mt. Carroll, City of	Local	Carroll	300	\$67.61	\$20,283.00	North American Salt Co.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Savanna, City of	Local	Carroll	650	\$67.61	\$43,946.50	North American Salt Co.
Thompson, Village of Carroll	Local	Carroll	150	\$67.61	\$10,141.50	North American Salt Co.
Wysox Township Midgeville, Carroll	Local	Carroll	75	\$67.61	\$5,070.75	North American Salt Co.
York Township Thomson, Carroll	Local	Carroll	300	\$67.61	\$20,283.00	North American Salt Co.
		Carroll Total Carroll Weighted Average price/ton	9,317		\$629,922.37	
Cass County Hwy Dep't	Local	Cass	1,700	\$49.16	\$83,572.00	Cargill Salt Div.
Cass County, Dist. 6	IDOT	Cass	600	\$49.16	\$29,496.00	Cargill Salt Div.
Cass County, Dist. 6	IDOT	Cass	400	\$49.16	\$19,664.00	Cargill Salt Div.
		Cass Total Cass Weighted Average price/ton	2,700	\$49.16	\$132,732.00	
Champaign County Highway Dept.	Local	Champaign	4,500	\$64.58	\$290,610.00	Cargill Salt Div.
Champaign County, Dist. 5	IDOT	Champaign	1,350	\$64.58	\$87,183.00	Cargill Salt Div.
Champaign County, Dist. 5	IDOT	Champaign	6,750	\$64.58	\$435,915.00	Cargill Salt Div.
Champaign, City of	Local	Champaign	5,000	\$64.58	\$322,900.00	Cargill Salt Div.
Mahomet, Village of	Local	Champaign	150	\$64.58	\$9,687.00	Cargill Salt Div.
Parkland College Champaign	Local	Champaign	120	\$64.58	\$7,749.60	Cargill Salt Div.
Rantoul, Village of	Local	Champaign	600	\$64.58	\$38,748.00	Cargill Salt Div.
Univ. of Illinois at Champaign	State	Champaign	750	\$64.58	\$48,435.00	Cargill Salt Div.
Urbana, City of	Local	Champaign	1,000	\$64.58	\$64,580.00	Cargill Salt Div.
		Champaign Total Champaign Weighted Average price/ton	20,220	\$64.58	\$1,305,807.60	
Christian County, Dist. 6	IDOT	Christian	600	\$69.19	\$41,514.00	Central Salt LLC
Christian County, Dist. 6	IDOT	Christian	1,400	\$69.19	\$96,866.00	Central Salt LLC
Pana, City of	Local	Christian	100	\$69.19	\$6,919.00	Central Salt LLC

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Taylorville, City of	Local	Christian	700	\$69.19	\$48,433.00	Central Salt LLC
		Christian Total Christian Weighted Average price/ton	2,800	\$69.19	\$193,732.00	
Clark County Highway Department, Marshall	Local	Clark	200	\$98.74	\$19,748.00	North American Salt Co.
Clark County, Dist. 7	IDOT	Clark	525	\$98.74	\$51,838.50	North American Salt Co.
Clark County, Dist. 7	IDOT	Clark	975	\$98.74	\$96,271.50	North American Salt Co.
		Clark Total Clark Weighted Average price/ton	1,700	\$98.74	\$167,858.00	
Clay County, Dist. 7	IDOT	Clay	500	\$92.34	\$46,170.00	North American Salt Co.
Clay County, Dist. 7	IDOT	Clay	700	\$92.34	\$64,638.00	North American Salt Co.
Flora, City of	Local	Clay	200	\$92.34	\$18,468.00	North American Salt Co.
		Clay Total Clay Weighted Average price/ton	1,400	\$92.34	\$129,276.00	
Breese, City of	Local	Clinton	125	\$61.25	\$7,656.25	Cargill Salt Div.
Carlyle, City of	Local	Clinton	75	\$61.25	\$4,593.75	Cargill Salt Div.
Clinton County Highway Department, Carlyle	Local	Clinton	1,500	\$61.25	\$91,875.00	Cargill Salt Div.
Clinton County, Dist. 8	IDOT	Clinton	1,000	\$61.25	\$61,250.00	Cargill Salt Div.
Clinton County, Dist. 8	IDOT	Clinton	1,000	\$61.25	\$61,250.00	Cargill Salt Div.
Trenton, City of	Local	Clinton	75	\$61.25	\$4,593.75	Cargill Salt Div.
		Clinton Total Clinton Weighted Average price/ton	3,775	\$61.25	\$231,218.75	
Charleston, City of	Local	Coles	600	\$96.44	\$57,864.00	North American Salt Co.
Coles County, Dist. 7	IDOT	Coles	1,400	\$96.44	\$135,016.00	North American Salt Co.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
IDOT, Dist. 7	IDOT	Coles	1,600	\$96.44	\$154,304.00	North American Salt Co.
Mattoon, City of, Coles	Local	Coles	300	\$96.44	\$28,932.00	North American Salt Co.
Coles Total			3,900		\$376,116.00	
Coles Weighted Average price/ton				\$96.44		
1175 Biesterfield Road (Interstate-290)	IDOT	Cook	3,000	\$58.81	\$176,430.00	Cargill Salt Div.
1175 Biesterfield Road (Interstate-290)	IDOT	Cook	6,000	\$58.81	\$352,860.00	Cargill Salt Div.
Alsip	IDOT	Cook	2,500	\$96.74	\$241,850.00	Morton International Inc.
Alsip	IDOT	Cook	9,500	\$96.74	\$919,030.00	Morton International Inc.
Alsip, Village of	Local	Cook	1,500	\$55.10	\$82,650.00	Cargill Salt Div.
Arlington Heights	IDOT	Cook	3,000	\$55.24	\$165,720.00	Cargill Salt Div.
Arlington Heights	IDOT	Cook	11,000	\$55.24	\$607,640.00	Cargill Salt Div.
Burnham, Village of	Local	Cook	600	\$95.01	\$57,006.00	Morton International Inc.
Crestwood, Village of	Local	Cook	700	\$97.54	\$68,278.00	Morton International Inc.
Dan Ryan Expressway	IDOT	Cook	2,000	\$54.11	\$108,220.00	Cargill Salt Div.
Dan Ryan Expressway	IDOT	Cook	5,000	\$54.11	\$270,550.00	Cargill Salt Div.
Des Plaines	IDOT	Cook	200	\$59.70	\$11,940.00	Cargill Salt Div.
Eisenhower Yard TS-HQ City of Chicago	IDOT	Cook	200	\$96.51	\$19,302.00	Morton International Inc.
Elgin School District U- 46-A	Local	Cook	1,000	\$54.47	\$54,470.00	Cargill Salt Div.
Evergreen Park, Village of	Local	Cook	2,500	\$95.86	\$239,650.00	Morton International Inc.
Ford Heights, Village of	Local	Cook	500	\$96.74	\$48,370.00	Morton International Inc.
Glencoe, Village of	Local	Cook	1,300	\$58.15	\$75,595.00	Cargill Salt Div.
Glenview, Village of	Local	Cook	7,000	\$62.82	\$439,740.00	Cargill Salt Div.
Glenwood, Village of	Local	Cook	575	\$96.74	\$55,625.50	Morton International Inc.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Hazel Crest, Village of	Local	Cook	1,000	\$96.74	\$96,740.00	Morton International Inc.
Hodgkins, Village of	Local	Cook	1,200	\$53.87	\$64,644.00	Cargill Salt Div.
Hometown, City of	Local	Cook	350	\$96.74	\$33,859.00	Morton International Inc.
Homewood, Village of	Local	Cook	2,200	\$96.74	\$212,828.00	Morton International Inc.
Howe W.A. Development Center, Tinley Park	State	Cook	200	\$97.54	\$19,508.00	Morton International Inc.
Illinois State Toll Highway Authority	ISTHA	Cook	4,300	\$55.10	\$236,930.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Cook	3,000	\$55.10	\$165,300.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Cook	6,400	\$56.88	\$364,032.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Cook	3,500	\$56.88	\$199,080.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Cook	3,700	\$58.14	\$215,118.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Cook	200	\$56.20	\$11,240.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Cook	4,600	\$56.20	\$258,520.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Cook	3,000	\$56.20	\$168,600.00	Cargill Salt Div.
Justice, Village of	Local	Cook	1,500	\$54.48	\$81,720.00	Cargill Salt Div.
Lagrange Park, Village of	Local	Cook	1,000	\$57.29	\$57,290.00	Cargill Salt Div.
Lagrange, Village of	Local	Cook	1,400	\$58.78	\$82,292.00	Cargill Salt Div.
Landscape	IDOT	Cook	3,000	\$96.74	\$290,220.00	Morton International Inc.
Lansing, Village of	Local	Cook	5,000	\$95.86	\$479,300.00	Morton International Inc.
Lemont Township Hwy.	Local	Cook	900	\$56.59	\$50,931.00	Cargill Salt Div.
Lemont, Village of	Local	Cook	3,000	\$52.59	\$157,770.00	Cargill Salt Div.
Lynwood, Village of	Local	Cook	1,300	\$96.90	\$125,970.00	Morton International Inc.
Lyons, Village of	Local	Cook	600	\$59.96	\$35,976.00	Cargill Salt Div.
Markham, City of	Local	Cook	1,200	\$96.74	\$116,088.00	Morton International Inc.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Midlothian, Village of	Local	Cook	1,200	\$54.91	\$65,892.00	Cargill Salt Div.
Mount Prospect, Village of	Local	Cook	5,400	\$64.42	\$347,868.00	Cargill Salt Div.
North Riverside, Village of	Local	Cook	1,500	\$61.10	\$91,650.00	Cargill Salt Div.
Northbrook	IDOT	Cook	1,000	\$56.76	\$56,760.00	Cargill Salt Div.
Northbrook	IDOT	Cook	8,000	\$56.65	\$453,200.00	Cargill Salt Div.
Northlake, City of	Local	Cook	1,500	\$60.74	\$91,110.00	Cargill Salt Div.
Oak Forest, City of	Local	Cook	2,500	\$55.88	\$139,700.00	Cargill Salt Div.
Oak Lawn, Village of	Local	Cook	7,000	\$63.66	\$445,620.00	Cargill Salt Div.
Olympia Fields, Village of	Local	Cook	800	\$97.54	\$78,032.00	Morton International Inc.
Orland Hills, Village of	Local	Cook	300	\$68.35	\$20,505.00	Central Salt LLC
Orland Park, Village of	Local	Cook	6,000	\$55.65	\$333,900.00	Cargill Salt Div.
Palos Park, Village of	Local	Cook	600	\$60.72	\$36,432.00	Cargill Salt Div.
Richton Park, Village of	Local	Cook	1,500	\$57.54	\$86,310.00	Cargill Salt Div.
River Forest, Village of	Local	Cook	1,200	\$61.84	\$74,208.00	Cargill Salt Div.
Riverdale, Village of	Local	Cook	900	\$96.74	\$87,066.00	Morton International Inc.
Riverside, Village of	Local	Cook	900	\$60.72	\$54,648.00	Cargill Salt Div.
Rodenburg Facility	IDOT	Cook	7,000	\$55.24	\$386,680.00	Cargill Salt Div.
Rodenburg Facility	IDOT	Cook	5,000	\$55.24	\$276,200.00	Cargill Salt Div.
Rolling Meadows, City of	Local	Cook	3,000	\$56.77	\$170,310.00	Cargill Salt Div.
Schaumburg Township, Hoffman Estates	Local	Cook	350	\$71.25	\$24,937.50	Central Salt LLC
Skokie Park District, Cook	Local	Cook	100	\$57.27	\$5,727.00	Cargill Salt Div.
South Holland, Village of	Local	Cook	1,500	\$95.86	\$143,790.00	Morton International Inc.
South Suburban College	Local	Cook	350	\$95.86	\$33,551.00	Morton International Inc.
Stevenson Expressway	IDOT	Cook	1,000	\$98.22	\$98,220.00	Morton International Inc.
Stevenson Expressway	IDOT	Cook	7,000	\$98.22	\$687,540.00	Morton International Inc.
Summit, Village of	Local	Cook	450	\$51.40	\$23,130.00	Cargill Salt Div.
Thornton, Village of	Local	Cook	350	\$52.88	\$18,508.00	Cargill Salt Div.
Westchester, Village of	Local	Cook	1,800	\$54.83	\$98,694.00	Cargill Salt Div.
Wheeling, Village of	Local	Cook	3,000	\$56.48	\$169,440.00	Cargill Salt Div.
Wilmette, Village of	Local	Cook	2,650	\$63.84	\$169,176.00	Cargill Salt Div.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Cook Total	184,475		\$12,287,687.00	
		Cook Weighted Average price/ton		\$66.61		
Crawford County, Dist. 7	IDOT	Crawford	150	\$93.98	\$14,097.00	North American Salt Co.
Crawford County, Dist. 7	IDOT	Crawford	450	\$93.98	\$42,291.00	North American Salt Co.
Oblong, Village of	Local	Crawford	25	\$93.98	\$2,349.50	North American Salt Co.
Robinson, City of, Crawford	Local	Crawford	200	\$93.98	\$18,796.00	North American Salt Co.
		Crawford Total	825		\$77,533.50	
		Crawford Weighted Average price/ton		\$93.98		
Cumberland County, Dist. 7	IDOT	Cumberland	940	\$96.26	\$90,484.40	North American Salt Co.
Cumberland County, Dist. 7	IDOT	Cumberland	1,060	\$96.26	\$102,035.60	North American Salt Co.
		Cumberland Total	2,000		\$192,520.00	
		Cumberland Weighted Average price/ton		\$96.26		
DeKalb County Highway Department	Local	DeKalb	8,500	\$83.16	\$706,860.00	North American Salt Co.
DeKalb County, Dist. 3	IDOT	DeKalb	1,500	\$83.16	\$124,740.00	North American Salt Co.
DeKalb County, Dist. 3	IDOT	DeKalb	3,000	\$83.16	\$249,480.00	North American Salt Co.
DeKalb Township Hwy Department, DeKalb	Local	DeKalb	650	\$83.16	\$54,054.00	North American Salt Co.
DeKalb, City of	Local	DeKalb	3,600	\$83.16	\$299,376.00	North American Salt Co.
Genoa, City of	Local	DeKalb	600	\$83.16	\$49,896.00	North American Salt Co.
Genoa Kingston. SD. 424 Genoa, DeKalb	Local	DeKalb	66	\$83.16	\$5,488.56	North American Salt Co.
Illinois State Toll Highway Authority	ISTHA	DeKalb	5,000	\$83.16	\$415,800.00	North American Salt Co.
Illinois State Toll Highway Authority	ISTHA	DeKalb	2,000	\$83.16	\$166,320.00	North American Salt Co.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Mayfield Township Road Dist, Sycamore	Local	DeKalb	300	\$83.16	\$24,948.00	North American Salt Co.
Sandwich, City of	Local	DeKalb	800	\$83.16	\$66,528.00	North American Salt Co.
Sycamore, City of	Local	DeKalb	2,600	\$83.16	\$216,216.00	North American Salt Co.
		DeKalb Total	28,616		\$2,379,706.56	
		DeKalb Weighted Average price/ton		\$83.16		
Clinton, City of	Local	Dewitt	225	\$57.53	\$12,944.25	Cargill Salt Div.
Dewitt County Highway Department, Clinton	Local	Dewitt	800	\$57.53	\$46,024.00	Cargill Salt Div.
Dewitt County, Dist. 5	IDOT	Dewitt	750	\$57.53	\$43,147.50	Cargill Salt Div.
Dewitt County, Dist. 5	IDOT	Dewitt	1,650	\$57.53	\$94,924.50	Cargill Salt Div.
		Dewitt Total	3,425		\$197,040.25	
		Dewitt Weighted Average price/ton		\$57.53		
Douglas County, Dist. 5	IDOT	Douglas	500	\$77.09	\$38,545.00	North American Salt Co.
Douglas County, Dist. 5	IDOT	Douglas	1,400	\$77.09	\$107,926.00	North American Salt Co.
Newman Township	Local	Douglas	50	\$77.09	\$3,854.50	North American Salt Co.
Newman, City of	Local	Douglas	22	\$77.09	\$1,695.98	North American Salt Co.
Tuscola Township Hwy Douglas	Local	Douglas	65	\$77.09	\$5,010.85	North American Salt Co.
Tuscola, City of	Local	Douglas	120	\$77.09	\$9,250.80	North American Salt Co.
		Douglas Total	2,157		\$166,283.13	
		Douglas Weighted Average price/ton		\$77.09		
Addison Township Hwy. Dept.	Local	DuPage	1,000	\$60.78	\$60,780.00	Cargill Salt Div.
Addison, Village of	Local	DuPage	2,400	\$120.45	\$289,080.00	North American Salt Co.
Bensenville, Village of	Local	DuPage	1,500	\$62.25	\$93,375.00	Cargill Salt Div.
Bloomington, Village of	Local	DuPage	2,300	\$120.45	\$277,035.00	North American Salt Co.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Bloomington Township Highway Department	Local	DuPage	2,000	\$120.45	\$240,900.00	North American Salt Co.
Burr Ridge, Village of	Local	DuPage	1,800	\$115.86	\$208,548.00	North American Salt Co.
Carol Stream, Village of	Local	DuPage	4,000	\$60.78	\$243,120.00	Cargill Salt Div.
Clarendon Hills, Village of	Local	DuPage	950	\$115.86	\$110,067.00	North American Salt Co.
College of DuPage, Glen Ellyn	Local	DuPage	700	\$70.47	\$49,329.00	Central Salt LLC
Darien, City of	Local	DuPage	2,500	\$115.86	\$289,650.00	North American Salt Co.
Downers Grove TWP Highway Department	Local	DuPage	1,500	\$115.86	\$173,790.00	North American Salt Co.
Downers Grove. Village of	Local	DuPage	6,000	\$59.25	\$355,500.00	Cargill Salt Div.
DuPage County S.D. 45 Villa Park	Local	DuPage	40	\$120.45	\$4,818.00	North American Salt Co.
Elmhurst, City of	Local	DuPage	4,500	\$59.25	\$266,625.00	Cargill Salt Div.
Glen Ellyn, Village of	Local	DuPage	1,800	\$120.45	\$216,810.00	North American Salt Co.
Glendale Heights, Village of	Local	DuPage	2,500	\$120.45	\$301,125.00	North American Salt Co.
Hinsdale, Village of	Local	DuPage	1,400	\$115.86	\$162,204.00	North American Salt Co.
Illinois State Toll Highway Authority	ISTHA	DuPage	4,200	\$58.81	\$247,002.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	DuPage	3,000	\$120.45	\$361,350.00	North American Salt Co.
Illinois State Toll Highway Authority	ISTHA	DuPage	7,800	\$59.25	\$462,150.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	DuPage	3,000	\$59.25	\$177,750.00	Cargill Salt Div.
Itasca, Village of	Local	DuPage	1,200	\$120.45	\$144,540.00	North American Salt Co.
Lake Park H.S.D. 108, Roselle	Local	DuPage	66	\$115.86	\$7,646.76	North American Salt Co.
Lisle Township Highway Department	Local	DuPage	1,760	\$120.45	\$211,992.00	North American Salt Co.
Lisle, Village of	Local	DuPage	2,000	\$120.45	\$240,900.00	North American Salt Co.
Lombard, Village of	Local	DuPage	4,000	\$120.45	\$481,800.00	North American Salt Co.
Milton Township Highway Department	Local	DuPage	2,000	\$120.45	\$240,900.00	North American Salt Co.
Naperville Township Road District	Local	DuPage	500	\$69.11	\$34,555.00	Central Salt LLC
Naperville, City of	Local	DuPage	23,000	\$54.81	\$1,260,630.00	Cargill Salt Div.
Naperville, U.S. 34 & CB & Orr	IDOT	DuPage	1,500	\$120.45	\$180,675.00	North American Salt Co.

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First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Naperville, U.S. 34 & CB & Orr	IDOT	DuPage	7,500	\$120.45	\$903,375.00	North American Salt Co.
Oak Brook, Village of	Local	DuPage	1,500	\$115.86	\$173,790.00	North American Salt Co.
Oakbrook IL.56 and IL.83	IDOT	DuPage	2,000	\$55.15	\$110,300.00	Cargill Salt Div.
Oakbrook IL.56 and IL.83	IDOT	DuPage	8,000	\$60.78	\$486,240.00	Cargill Salt Div.
Roselle, Village of	Local	DuPage	1,500	\$120.45	\$180,675.00	North American Salt Co.
Villa Park, Village of	Local	DuPage	1,600	\$120.45	\$192,720.00	North American Salt Co.
Warrenville, City of	Local	DuPage	2,900	\$62.21	\$180,409.00	Cargill Salt Div.
Wayne Township Road District, West Chicago	Local	DuPage	1,200	\$120.45	\$144,540.00	North American Salt Co.
West Chicago, City of	Local	DuPage	3,000	\$121.62	\$364,860.00	North American Salt Co.
Westmont, Village of	Local	DuPage	2,000	\$115.86	\$231,720.00	North American Salt Co.
Wheaton (140 N. County Farm Rd.)	IDOT	DuPage	1,200	\$58.81	\$70,572.00	Cargill Salt Div.
Wheaton, City of	Local	DuPage	4,000	\$120.45	\$481,800.00	North American Salt Co.
Wheaton-Warrenville C.U.S.D. #200	Local	DuPage	332	\$124.74	\$41,413.68	North American Salt Co.
Willowbrook, Village of	Local	DuPage	750	\$115.86	\$86,895.00	North American Salt Co.
Winfield , Village of	Local	DuPage	1,000	\$120.45	\$120,450.00	North American Salt Co.
Winfield Township Highway Department, West Chicago	Local	DuPage	2,000	\$120.45	\$240,900.00	North American Salt Co.
Woodridge, Village of	Local	DuPage	2,700	\$115.86	\$312,822.00	North American Salt Co.
York Township Highway Department	Local	DuPage	1,550	\$115.86	\$179,583.00	North American Salt Co.
		DuPage Total	135,648		\$11,897,711.44	
		DuPage Weighted Average price/ton		\$87.71		
Chrisman, City of	Local	Edgar	20	\$103.16	\$2,063.20	North American Salt Co.
Edgar County Highway Department, Paris	Local	Edgar	175	\$103.16	\$18,053.00	North American Salt Co.
Edgar County, Dist. 5	IDOT	Edgar	1,700	\$103.16	\$175,372.00	North American Salt Co.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Paris, City of	Local	Edgar	150	\$103.16	\$15,474.00	North American Salt Co.
Edgar Total			2,045		\$210,962.20	
				\$103.16		
Edgar Weighted Average price/ton						
Albion, City of, Edwards County	Local	Edwards	300	\$89.12	\$26,736.00	North American Salt Co.
Edwards Total			300		\$26,736.00	
				\$89.12		
Edwards Weighted Average price/ton						
Altamont, City of	Local	Effingham	66	\$140.61	\$9,280.26	North American Salt Co.
Effingham County, Dist. 7	IDOT	Effingham	1,300	\$140.61	\$182,793.00	North American Salt Co.
Effingham County, Dist. 7	IDOT	Effingham	1,700	\$140.61	\$239,037.00	North American Salt Co.
Effingham, City of	Local	Effingham	500	\$140.61	\$70,305.00	North American Salt Co.
Effingham Total			3,566		\$501,415.26	
				\$140.61		
Effingham Weighted Average price/ton						
Fayette County Highway Dept., Vandalia	Local	Fayette	160	\$66.78	\$10,684.80	Cargill Salt Div.
Fayette County, Dist. 7	IDOT	Fayette	1,500	\$66.78	\$100,170.00	Cargill Salt Div.
Fayette County, Dist. 7	IDOT	Fayette	950	\$66.78	\$63,441.00	Cargill Salt Div.
Vandalia, City of	Local	Fayette	600	\$66.78	\$40,068.00	Cargill Salt Div.
Fayette Total			3,210		\$214,363.80	
				\$66.78		
Fayette Weighted Average price/ton						
Ford County, Dist. 3	IDOT	Ford	500	\$59.50	\$29,750.00	Cargill Salt Div.
Ford County, Dist. 3	IDOT	Ford	4,500	\$59.50	\$267,750.00	Cargill Salt Div.
Gibson, City of	Local	Ford	500	\$59.50	\$29,750.00	Cargill Salt Div.
Ford Total			5,500		\$327,250.00	
				\$59.50		
Ford Weighted Average price/ton						

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Franklin County, Dist. 9	IDOT	Franklin	1,800	\$128.52	\$231,336.00	North American Salt Co.
Franklin County, Dist. 9	IDOT	Franklin	775	\$128.52	\$99,603.00	North American Salt Co.
		Franklin Total	2,575		\$330,939.00	
		Franklin Weighted Average price/ton		\$128.52		
Canton, City of	Local	Fulton	600	\$52.26	\$31,356.00	Cargill Salt Div.
Fulton County Public Works and Highways, Canton	Local	Fulton	1,000	\$52.26	\$52,260.00	Cargill Salt Div.
Fulton County, Dist. 4	IDOT	Fulton	1,700	\$52.26	\$88,842.00	Cargill Salt Div.
Fulton County, Dist. 4	IDOT	Fulton	3,400	\$52.26	\$177,684.00	Cargill Salt Div.
		Fulton Total	6,700		\$350,142.00	
		Fulton Weighted Average price/ton		\$52.26		
Gallatin County, Shawneetown	Local	Gallatin	20	\$86.94	\$1,738.80	North American Salt Co.
Gallatin County, Dist. 9	IDOT	Gallatin	350	\$86.94	\$30,429.00	North American Salt Co.
Gallatin County, Dist. 9	IDOT	Gallatin	450	\$86.94	\$39,123.00	North American Salt Co.
		Gallatin Total	820		\$71,290.80	
		Gallatin Weighted Average price/ton		\$86.94		
Greene County Carrollton	Local	Greene	300	\$84.24	\$25,272.00	North American Salt Co.
Greene County, Dist. 8	IDOT	Greene	500	\$84.24	\$42,120.00	North American Salt Co.
Greene County, Dist. 8	IDOT	Greene	1,000	\$84.24	\$84,240.00	North American Salt Co.
		Greene Total	1,800		\$151,632.00	
		Greene Weighted Average price/ton		\$84.24		

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Coal City, Village of Grundy	Local	Grundy	400	\$54.54	\$21,816.00	Cargill Salt Div.
Gardner, Village of Grundy	Local	Grundy	100	\$54.54	\$5,454.00	Cargill Salt Div.
Grundy County Highway Department, Morris	Local	Grundy	4,300	\$54.54	\$234,522.00	Cargill Salt Div.
Grundy County, Dist. 3	IDOT	Grundy	1,100	\$54.54	\$59,994.00	Cargill Salt Div.
Grundy County, Dist. 3	IDOT	Grundy	6,900	\$54.54	\$376,326.00	Cargill Salt Div.
Minooka, Village of Grundy	Local	Grundy	1,200	\$54.54	\$65,448.00	Cargill Salt Div.
		Grundy Total Grundy Weighted Average price/ton	14,000	\$54.54	\$763,560.00	
Hamilton County, Dist. 9	IDOT	Hamilton	1,050	\$125.70	\$131,985.00	North American Salt Co.
Hamilton County, Dist. 9	IDOT	Hamilton	1,025	\$125.70	\$128,842.50	North American Salt Co.
		Hamilton Total Hamilton Weighted Average price/ton	2,075	\$125.70	\$260,827.50	
Hamilton, City of	Local	Hancock	200	\$125.85	\$25,170.00	North American Salt Co.
Hancock County Highway Department, Carthage	Local	Hancock	500	\$125.85	\$62,925.00	North American Salt Co.
Hancock County, Dist. 6	IDOT	Hancock	3,400	\$125.85	\$427,890.00	North American Salt Co.
		Hancock Total Hancock Weighted Average price/ton	4,100	\$125.85	\$515,985.00	
Hardin County, Dist. 9	IDOT	Hardin	250	\$88.72	\$22,180.00	North American Salt Co.
Hardin County, Dist. 9	IDOT	Hardin	450	\$88.72	\$39,924.00	North American Salt Co.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Hardin	700		\$62,104.00	
		Total Hardin Weighted Average price/ton		\$88.72		
Henderson County Hwy. Dept., Stronghurst	Local	Henderson	600	\$67.41	\$40,446.00	North American Salt Co.
Henderson County, Dist. 4	IDOT	Henderson	800	\$67.41	\$53,928.00	North American Salt Co.
Henderson County, Dist. 4	IDOT	Henderson	2,100	\$67.41	\$141,561.00	North American Salt Co.
		Henderson Total	3,500		\$235,935.00	
		Henderson Weighted Average price/ton		\$67.41		
Colona, City of	Local	Henry	160	\$53.87	\$8,619.20	Cargill Salt Div.
Galva, City of	Local	Henry	275	\$53.87	\$14,814.25	Cargill Salt Div.
Geneseo, City of	Local	Henry	500	\$53.87	\$26,935.00	Cargill Salt Div.
Henry County Highway Department	Local	Henry	3,400	\$53.87	\$183,158.00	Cargill Salt Div.
Henry County, Dist. 2	IDOT	Henry	2,700	\$53.87	\$145,449.00	Cargill Salt Div.
Henry County, Dist. 2	IDOT	Henry	9,500	\$53.87	\$511,765.00	Cargill Salt Div.
Orion, Village of	Local	Henry	75	\$53.87	\$4,040.25	Cargill Salt Div.
		Henry Total	16,610		\$894,780.70	
		Henry Weighted Average price/ton		\$53.87		
Gilman, City of	Local	Iroquois	60	\$102.89	\$6,173.40	Morton International Inc.
Iroquois County, Dist. 3	IDOT	Iroquois	1,250	\$102.89	\$128,612.50	Morton International Inc.
Iroquois County, Dist. 3	IDOT	Iroquois	11,750	\$102.89	\$1,208,957.50	Morton International Inc.
		Iroquois Total	13,060		\$1,343,743.40	
		Iroquois Weighted Average price/ton		\$102.89		

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Carbondale Township	Local	Jackson	150	\$127.65	\$19,147.50	North American Salt Co.
Carbondale, City of	Local	Jackson	800	\$127.65	\$102,120.00	North American Salt Co.
Jackson County Dept. of Highways, Murphysboro	Local	Jackson	1,500	\$127.65	\$191,475.00	North American Salt Co.
Jackson County, Dist. 9	IDOT	Jackson	1,975	\$127.65	\$252,108.75	North American Salt Co.
Jackson County, Dist. 9	IDOT	Jackson	625	\$127.65	\$79,781.25	North American Salt Co.
Murphysboro, City of	Local	Jackson	150	\$127.65	\$19,147.50	North American Salt Co.
Southern Illinois University, Carbondale	State	Jackson	475	\$127.65	\$60,633.75	North American Salt Co.
Jackson Total			5,675		\$724,413.75	
Jackson Weighted Average price/ton				\$127.65		
Jasper County, Dist. 7	IDOT	Jasper	80	\$92.34	\$7,387.20	North American Salt Co.
Jasper County, Dist. 7	IDOT	Jasper	420	\$92.34	\$38,782.80	North American Salt Co.
Jasper Total			500		\$46,170.00	
Jasper Weighted Average price/ton				\$92.34		
Jefferson County Highway Department, Mt. Vernon	Local	Jefferson	800	\$66.55	\$53,240.00	Cargill Salt Div.
Jefferson County, Dist. 9	IDOT	Jefferson	1,400	\$66.55	\$93,170.00	Cargill Salt Div.
Jefferson County, Dist. 9	IDOT	Jefferson	1,600	\$66.55	\$106,480.00	Cargill Salt Div.
Mt. Vernon Township Jefferson	Local	Jefferson	75	\$66.55	\$4,991.25	Cargill Salt Div.
Mt. Vernon, City of, Jefferson	Local	Jefferson	600	\$66.55	\$39,930.00	Cargill Salt Div.
Jefferson Total			4,475		\$297,811.25	
Jefferson Weighted Average price/ton				\$66.55		
Jersey Co Hwy Dept. Jerseyville	Local	Jersey	350	\$61.76	\$21,616.00	Cargill Salt Div.
Jersey County, Dist. 8	IDOT	Jersey	1,500	\$61.76	\$92,640.00	Cargill Salt Div.
Jersey County, Dist. 8	IDOT	Jersey	500	\$61.76	\$30,880.00	Cargill Salt Div.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Jersey Total	2,350		\$145,136.00	
		Jersey Weighted Average price/ton		\$61.76		
East Dubuque, City of	Local	Jo Daviess	500	\$131.34	\$65,670.00	North American Salt Co.
Galena, City of	Local	Jo Daviess	800	\$131.34	\$105,072.00	North American Salt Co.
Hanover, Village of	Local	Jo Daviess	100	\$131.34	\$13,134.00	North American Salt Co.
Jo Daviess County, Dist. 2	IDOT	Jo Daviess	1,600	\$131.34	\$210,144.00	North American Salt Co.
Jo Daviess County, Dist. 2	IDOT	Jo Daviess	5,000	\$131.34	\$656,700.00	North American Salt Co.
Jo Daviess Highway Department	Local	Jo Daviess	5,541	\$131.34	\$727,754.94	North American Salt Co.
Stockton, Village of	Local	Jo Daviess	100	\$131.34	\$13,134.00	North American Salt Co.
Warren, Village of	Local	Jo Daviess	100	\$131.34	\$13,134.00	North American Salt Co.
		Jo Daviess Total	13,741		\$1,804,742.94	
		Jo Daviess Weighted Average price/ton		\$131.34		
Johnson County, Dist. 9	IDOT	Johnson	1,500	\$81.02	\$121,530.00	North American Salt Co.
Johnson County, Dist. 9	IDOT	Johnson	650	\$81.02	\$52,663.00	North American Salt Co.
		Johnson Total	2,150		\$174,193.00	
		Johnson Weighted Average price/ton		\$81.02		
Aurora, City of	Local	Kane	19,000	\$54.47	\$1,034,930.00	Cargill Salt Div.
Batavia, City of	Local	Kane	3,000	\$54.47	\$163,410.00	Cargill Salt Div.
Big Rock, Village of	Local	Kane	200	\$54.47	\$10,894.00	Cargill Salt Div.
Carpentersville Village of	Local	Kane	4,000	\$54.47	\$217,880.00	Cargill Salt Div.
Dundee TWP Park Dist Carpentersville	Local	Kane	66	\$54.47	\$3,595.02	Cargill Salt Div.
East Dundee, Village of	Local	Kane	575	\$54.47	\$31,320.25	Cargill Salt Div.
Elburn, Village of	Local	Kane	440	\$54.47	\$23,966.80	Cargill Salt Div.
Elgin Mental Health Center	State	Kane	250	\$54.47	\$13,617.50	Cargill Salt Div.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Elgin Township	Local	Kane	1,200	\$54.47	\$65,364.00	Cargill Salt Div.
Elgin, City of	Local	Kane	9,000	\$54.47	\$490,230.00	Cargill Salt Div.
Geneva, City of	Local	Kane	2,200	\$54.47	\$119,834.00	Cargill Salt Div.
Gilberts, Village of	Local	Kane	1,000	\$54.47	\$54,470.00	Cargill Salt Div.
Hampshire, Village of	Local	Kane	1,500	\$54.47	\$81,705.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Kane	3,800	\$54.47	\$206,986.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Kane	2,500	\$54.47	\$136,175.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Kane	2,500	\$54.47	\$136,175.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Kane	1,000	\$54.47	\$54,470.00	Cargill Salt Div.
Kane County Forest Preserve, Geneva	Local	Kane	180	\$54.47	\$9,804.60	Cargill Salt Div.
Kane County Division of Transportation	Local	Kane	27,800	\$54.47	\$1,514,266.00	Cargill Salt Div.
Kane County, Dist. 1	IDOT	Kane	12,000	\$54.47	\$653,640.00	Cargill Salt Div.
Kane County, Dist. 1	IDOT	Kane	10,000	\$54.47	\$544,700.00	Cargill Salt Div.
Montgomery, Village of	Local	Kane	2,500	\$54.47	\$136,175.00	Cargill Salt Div.
Sleepy Hollow, Village of	Local	Kane	800	\$54.47	\$43,576.00	Cargill Salt Div.
South Elgin, Village of	Local	Kane	3,000	\$54.47	\$163,410.00	Cargill Salt Div.
St. Charles, City of	Local	Kane	6,500	\$54.47	\$354,055.00	Cargill Salt Div.
Sugar Grove, Village of	Local	Kane	2,500	\$54.47	\$136,175.00	Cargill Salt Div.
Waubonsee Community College	Local	Kane	154	\$54.47	\$8,388.38	Cargill Salt Div.
West Dundee, Village Of	Local	Kane	1,700	\$54.47	\$92,599.00	Cargill Salt Div.
		Kane Total	119,365		\$6,501,811.55	
		Kane Weighted Average price/ton		\$54.47		
Bourbonnais, Village of	Local	Kankakee	1,500	\$91.48	\$137,220.00	Morton International Inc.
Kankakee County Highway Department	Local	Kankakee	4,000	\$91.48	\$365,920.00	Morton International Inc.
Kankakee County, Dist. 3	IDOT	Kankakee	1,000	\$91.48	\$91,480.00	Morton International Inc.
Kankakee County, Dist. 3	IDOT	Kankakee	8,360	\$91.48	\$764,772.80	Morton International Inc.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Kankakee Community College	Local	Kankakee	50	\$91.48	\$4,574.00	Morton International Inc.
Kankakee, City of	Local	Kankakee	2,500	\$91.48	\$228,700.00	Morton International Inc.
Shapiro Developmental Center, Kankakee	State	Kankakee	250	\$91.48	\$22,870.00	Morton International Inc.
Sun River Terrace Village of, St. Anne, Kankakee	Local	Kankakee	25	\$91.48	\$2,287.00	Morton International Inc.
Kankakee Total			17,685		\$1,617,823.80	
Kankakee Weighted Average price/ton				\$91.48		
Big Grove Township Newark, Kendall Co.	Local	Kendall	100	\$99.92	\$9,992.00	Morton International Inc.
Bristol Township Bristol	Local	Kendall	1,000	\$99.92	\$99,920.00	Morton International Inc.
Fox Township Millwork	Local	Kendall	250	\$99.92	\$24,980.00	Morton International Inc.
Kendall County Highway Department, Yorkville	Local	Kendall	3,000	\$99.92	\$299,760.00	Morton International Inc.
Kendall County, Dist. 3	IDOT	Kendall	2,300	\$99.92	\$229,816.00	Morton International Inc.
Kendall County, Dist. 3	IDOT	Kendall	2,100	\$99.92	\$209,832.00	Morton International Inc.
Kendall TWP Hwy. Dep't.	Local	Kendall	350	\$99.92	\$34,972.00	Morton International Inc.
Lisbon Township Minooka, Kendall	Local	Kendall	60	\$99.92	\$5,995.20	Morton International Inc.
Little Rock Township Plano, Kendall	Local	Kendall	500	\$99.92	\$49,960.00	Morton International Inc.
NA-AU-SAY Township Yorkville, Kendall	Local	Kendall	88	\$99.92	\$8,792.96	Morton International Inc.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Oswego Township	Local	Kendall	1,500	\$99.92	\$149,880.00	Morton International Inc.
Oswego, Village of	Local	Kendall	2,400	\$99.92	\$239,808.00	Morton International Inc.
Plano, City of	Local	Kendall	1,200	\$99.92	\$119,904.00	Morton International Inc.
Seward Township, Kendall County	Local	Kendall	225	\$99.92	\$22,482.00	Morton International Inc.
Yorkville City of	Local	Kendall	2,000	\$99.92	\$199,840.00	Morton International Inc.

**Kendall
Total
Kendall
Weighted
Average
price/ton**

17,073

\$1,705,934.16

\$99.92

Galesburg, City of	Local	Knox	2,000	\$49.96	\$99,920.00	Cargill Salt Div.
Knox County Highway Department, Knoxville	Local	Knox	2,000	\$49.96	\$99,920.00	Cargill Salt Div.
Knox County, Dist. 4	IDOT	Knox	1,700	\$49.96	\$84,932.00	Cargill Salt Div.
Knox County, Dist. 4	IDOT	Knox	4,100	\$49.96	\$204,836.00	Cargill Salt Div.
Knox TWP District, Knoxville	Local	Knox	500	\$49.96	\$24,980.00	Cargill Salt Div.
Persifer Township, Dahinda	Local	Knox	300	\$49.96	\$14,988.00	Cargill Salt Div.
Wataga, Village of Wataga, Knox	Local	Knox	100	\$49.96	\$4,996.00	Cargill Salt Div.

**Knox Total
Knox
Weighted
Average
price/ton**

10,700

\$534,572.00

\$49.96

Bruce Township Road Department, LaSalle County	Local	LaSalle	40	\$50.27	\$2,010.80	Cargill Salt Div.
Dayton Township, Ottawa	Local	LaSalle	75	\$50.27	\$3,770.25	Cargill Salt Div.
IL. Valley College Oglesby	Local	LaSalle	150	\$50.27	\$7,540.50	Cargill Salt Div.
LaSalle County Highway Department, Ottawa	Local	LaSalle	5,000	\$50.27	\$251,350.00	Cargill Salt Div.
LaSalle County, Dist. 3	IDOT	LaSalle	3,500	\$50.27	\$175,945.00	Cargill Salt Div.
LaSalle County, Dist. 3	IDOT	LaSalle	11,500	\$50.27	\$578,105.00	Cargill Salt Div.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
LaSalle, City of	Local	LaSalle	1,800	\$50.27	\$90,486.00	Cargill Salt Div.
Manlius Township Road District, Seneca	Local	LaSalle	200	\$50.27	\$10,054.00	Cargill Salt Div.
Marseilles, City of	Local	LaSalle	400	\$50.27	\$20,108.00	Cargill Salt Div.
Mendota, City of	Local	LaSalle	250	\$50.27	\$12,567.50	Cargill Salt Div.
Mission Township Sheridan, LaSalle	Local	LaSalle	60	\$50.27	\$3,016.20	Cargill Salt Div.
Northville Township, Sandwich	Local	LaSalle	125	\$50.27	\$6,283.75	Cargill Salt Div.
Ottawa Township, Ottawa	Local	LaSalle	200	\$50.27	\$10,054.00	Cargill Salt Div.
Ottawa, City of	Local	LaSalle	2,000	\$50.27	\$100,540.00	Cargill Salt Div.
Seneca, Village of	Local	LaSalle	200	\$50.27	\$10,054.00	Cargill Salt Div.
South Ottawa Township of	Local	LaSalle	176	\$50.27	\$8,847.52	Cargill Salt Div.
Streator, City of	Local	LaSalle	1,200	\$50.27	\$60,324.00	Cargill Salt Div.
		LaSalle Total LaSalle Weighted Average price/ton	26,876		\$1,351,056.52	
				\$50.27		
Bridgeport, City of	Local	Lawrence	22	\$88.82	\$1,954.04	North American Salt Co.
Lawrence County Highway Dept., Lawrenceville	Local	Lawrence	50	\$88.82	\$4,441.00	North American Salt Co.
Lawrence County, Dist. 7	IDOT	Lawrence	450	\$88.82	\$39,969.00	North American Salt Co.
Lawrence County, Dist. 7	IDOT	Lawrence	750	\$88.82	\$66,615.00	North American Salt Co.
Lawrenceville, City of	Local	Lawrence	50	\$88.82	\$4,441.00	North American Salt Co.
		Lawrence Total Lawrence Weighted Average price/ton	1,322		\$117,420.04	
				\$88.82		
Amboy, City of	Local	Lee	130	\$48.16	\$6,260.80	Cargill Salt Div.
Brooklyn Township	Local	Lee	44	\$48.16	\$2,119.04	Cargill Salt Div.
Dixon Township	Local	Lee	1,000	\$48.16	\$48,160.00	Cargill Salt Div.
Dixon, City of	Local	Lee	3,000	\$48.16	\$144,480.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Lee	5,000	\$48.16	\$240,800.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Lee	2,000	\$48.16	\$96,320.00	Cargill Salt Div.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Lee County Hwy. Dept. Amboy	Local	Lee	3,700	\$48.16	\$178,192.00	Cargill Salt Div.
Lee County, Dist. 2	IDOT	Lee	3,900	\$48.16	\$187,824.00	Cargill Salt Div.
Lee County, Dist. 2	IDOT	Lee	8,000	\$48.16	\$385,280.00	Cargill Salt Div.
Palmyra Township	Local	Lee	110	\$48.16	\$5,297.60	Cargill Salt Div.
Saulk Valley College Dixon, Lee	Local	Lee	125	\$48.16	\$6,020.00	Cargill Salt Div.
Lee Total Lee Weighted Average price/ton			27,009	\$48.16	\$1,300,753.44	
Dwight, Village of	Local	Livingston	400	\$54.15	\$21,660.00	Cargill Salt Div.
Livingston County Highway Dept.	Local	Livingston	600	\$54.15	\$32,490.00	Cargill Salt Div.
Livingston County, Dist. 3	IDOT	Livingston	1,300	\$54.15	\$70,395.00	Cargill Salt Div.
Livingston County, Dist. 3	IDOT	Livingston	9,400	\$54.15	\$509,010.00	Cargill Salt Div.
Pontiac, City of	Local	Livingston	700	\$54.15	\$37,905.00	Cargill Salt Div.
Livingston Total Livingston Weighted Average price/ton			12,400	\$54.15	\$671,460.00	
Lincoln, City of	Local	Logan	550	\$54.93	\$30,211.50	Cargill Salt Div.
Logan County Highway Department, Lincoln	Local	Logan	450	\$54.93	\$24,718.50	Cargill Salt Div.
Logan County, Dist. 6	IDOT	Logan	600	\$54.93	\$32,958.00	Cargill Salt Div.
Logan County, Dist. 6	IDOT	Logan	3,400	\$54.93	\$186,762.00	Cargill Salt Div.
Mt. Pulaski, City of	Local	Logan	154	\$54.93	\$8,459.22	Cargill Salt Div.
Logan Total Logan Weighted Average price/ton			5,154	\$54.93	\$283,109.22	
Argenta, Village of Macon	Local	Macon	44	\$59.67	\$2,625.48	Cargill Salt Div.
Decatur, City of	Local	Macon	2,000	\$59.67	\$119,340.00	Cargill Salt Div.
Forsyth, Village of	Local	Macon	30	\$59.67	\$1,790.10	Cargill Salt Div.
Macon County Highway Department, Decatur	Local	Macon	1,500	\$59.67	\$89,505.00	Cargill Salt Div.
Macon County, Dist. 7	IDOT	Macon	1,950	\$59.67	\$116,356.50	Cargill Salt Div.
Macon County, Dist. 7	IDOT	Macon	3,050	\$59.67	\$181,993.50	Cargill Salt Div.
Mt. Zion, Village of	Local	Macon	200	\$59.67	\$11,934.00	Cargill Salt Div.
South Wheatland Road District, Macon	Local	Macon	44	\$59.67	\$2,625.48	Cargill Salt Div.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Macon Total	8,818		\$526,170.06	
		Macon Weighted Average price/ton		\$59.67		
Carlinville, City of	Local	Macoupin	350	\$62.92	\$22,022.00	Cargill Salt Div.
Girard, City of	Local	Macoupin	50	\$62.92	\$3,146.00	Cargill Salt Div.
Macoupin County Highway Department, Carlinville	Local	Macoupin	500	\$62.92	\$31,460.00	Cargill Salt Div.
Macoupin County, Dist. 6	IDOT	Macoupin	800	\$62.92	\$50,336.00	Cargill Salt Div.
Macoupin County, Dist. 6	IDOT	Macoupin	1,200	\$62.92	\$75,504.00	Cargill Salt Div.
Mt. Olive, City of	Local	Macoupin	50	\$62.92	\$3,146.00	Cargill Salt Div.
Staunton, City of	Local	Macoupin	100	\$62.92	\$6,292.00	Cargill Salt Div.
Virден, Village of	Local	Macoupin	100	\$62.92	\$6,292.00	Cargill Salt Div.
		Macoupin Total	3,150		\$198,198.00	
		Macoupin Weighted Average price/ton		\$62.92		
Alton, City of	Local	Madison	5,000	\$49.57	\$247,850.00	Cargill Salt Div.
Granite City Com Unit School Dist.	Local	Madison	75	\$49.57	\$3,717.75	Cargill Salt Div.
Madison County, Dist. 8	IDOT	Madison	8,050	\$49.57	\$399,038.50	Cargill Salt Div.
Madison County, Dist. 8	IDOT	Madison	6,050	\$49.57	\$299,898.50	Cargill Salt Div.
Southern Illinois University, Edwardsville	State	Madison	500	\$49.57	\$24,785.00	Cargill Salt Div.
		Madison Total	19,675		\$975,289.75	
		Madison Weighted Average price/ton		\$49.57		
Central City., Village of, Centralia	Local	Marion	22	\$66.97	\$1,473.34	Cargill Salt Div.
Centralia, City of, Marion	Local	Marion	150	\$66.97	\$10,045.50	Cargill Salt Div.
Marion County, Dist. 8	IDOT	Marion	1,000	\$66.97	\$66,970.00	Cargill Salt Div.
Marion County, Dist. 8	IDOT	Marion	1,200	\$66.97	\$80,364.00	Cargill Salt Div.
Sandoval, Village of	Local	Marion	25	\$66.97	\$1,674.25	Cargill Salt Div.
Wamac, City of, Marion	Local	Marion	40	\$66.97	\$2,678.80	Cargill Salt Div.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Marion Total Marion Weighted Average price/ton	2,437	\$66.97	\$163,205.89	
Marshall County Highway Department	Local	Marshall	700	\$50.16	\$35,112.00	Cargill Salt Div.
Marshall County, Dist. 4	IDOT	Marshall	2,620	\$50.16	\$131,419.20	Cargill Salt Div.
Marshall County, Dist. 4	IDOT	Marshall	5,200	\$50.16	\$260,832.00	Cargill Salt Div.
Toluca, City of	Local	Marshall	50	\$50.16	\$2,508.00	Cargill Salt Div.
Wenona, City of	Local	Marshall	75	\$50.16	\$3,762.00	Cargill Salt Div.
		Marshall Total Marshall Weighted Average price/ton	8,645	\$50.16	\$433,633.20	
Havana, City of	Local	Mason	300	\$51.62	\$15,486.00	Cargill Salt Div.
Mason County Highway Depart, Delivery to Mason City	Local	Mason	1,000	\$51.62	\$51,620.00	Cargill Salt Div.
Mason County, Dist. 6	IDOT	Mason	1,500	\$51.62	\$77,430.00	Cargill Salt Div.
		Mason Total Mason Weighted Average price/ton	2,800	\$51.62	\$144,536.00	
Massac Co. Hwy. Dept Metropolis	Local	Massac	370	\$88.24	\$32,648.80	North American Salt Co.
Massac County, Dist. 9	IDOT	Massac	1,200	\$88.24	\$105,888.00	North American Salt Co.
Massac County, Dist. 9	IDOT	Massac	100	\$88.24	\$8,824.00	North American Salt Co.
		Massac Total Massac Weighted Average price/ton	1,670	\$88.24	\$147,360.80	
McDonough County Hwy. Dept., Macomb	Local	McDonough	700	\$52.24	\$36,568.00	Cargill Salt Div.
McDonough County, Dist. 4	IDOT	McDonough	2,200	\$52.24	\$114,928.00	Cargill Salt Div.
McDonough County, Dist. 4	IDOT	McDonough	2,200	\$52.24	\$114,928.00	Cargill Salt Div.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Western IL University, City of Macomb, McDonough Co.	State	McDonough	350	\$52.24	\$18,284.00	Cargill Salt Div.
		McDonough Total McDonough Weighted Average price/ton	5,450	\$52.24	\$284,708.00	
Bloomington, City McLean	Local	McLean	9,000	\$55.88	\$502,920.00	Cargill Salt Div.
Heyworth, Village of	Local	McLean	175	\$55.88	\$9,779.00	Cargill Salt Div.
Hudson Township McLean	Local	McLean	40	\$55.88	\$2,235.20	Cargill Salt Div.
Illinois State Univ, Normal, McLean	State	McLean	450	\$55.88	\$25,146.00	Cargill Salt Div.
Lexington, City of	Local	McLean	75	\$55.88	\$4,191.00	Cargill Salt Div.
McLean County Highway Department, Bloomington	Local	McLean	7,500	\$55.88	\$419,100.00	Cargill Salt Div.
McLean County, Dist. 5	IDOT	McLean	2,000	\$55.88	\$111,760.00	Cargill Salt Div.
McLean County, Dist. 5	IDOT	McLean	14,400	\$55.88	\$804,672.00	Cargill Salt Div.
Normal, Town of, McLean	Local	McLean	7,000	\$55.88	\$391,160.00	Cargill Salt Div.
		McLean Total McLean Weighted Average price/ton	40,640	\$55.88	\$2,270,963.20	
Menard County, Dist. 6	IDOT	Menard	900	\$57.68	\$51,912.00	Cargill Salt Div.
		Menard Total Menard Weighted Average price/ton	900	\$57.68	\$51,912.00	
Mercer County Highway Dept.	Local	Mercer	900	\$87.02	\$78,318.00	North American Salt Co.
Mercer County, Dist. 4	IDOT	Mercer	1,200	\$87.02	\$104,424.00	North American Salt Co.
Mercer County, Dist. 4	IDOT	Mercer	2,000	\$87.02	\$174,040.00	North American Salt Co.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Mercer Total	4,100		\$356,782.00	
		Mercer Weighted Average price/ton		\$87.02		
Columbia, City of Monroe	Local	Monroe	500	\$49.70	\$24,850.00	Cargill Salt Div.
Monroe County Highway Dept.	Local	Monroe	1,500	\$49.70	\$74,550.00	Cargill Salt Div.
Monroe County, Dist. 8	IDOT	Monroe	1,750	\$49.70	\$86,975.00	Cargill Salt Div.
Monroe County, Dist. 8	IDOT	Monroe	3,250	\$49.70	\$161,525.00	Cargill Salt Div.
Waterloo, City of	Local	Monroe	1,400	\$49.70	\$69,580.00	Cargill Salt Div.
		Monroe Total	8,400		\$417,480.00	
		Monroe Weighted Average price/ton		\$49.70		
Montgomery County, Dist. 6	IDOT	Montgomery	600	\$53.56	\$32,136.00	Cargill Salt Div.
Montgomery County, Dist. 6	IDOT	Montgomery	1,800	\$53.56	\$96,408.00	Cargill Salt Div.
		Montgomery Total	2,400		\$128,544.00	
		Montgomery Weighted Average price/ton		\$53.56		
Jacksonville, City of	Local	Morgan	1,000	\$49.48	\$49,480.00	Cargill Salt Div.
Morgan County Highway Department Jacksonville	Local	Morgan	1,600	\$49.48	\$79,168.00	Cargill Salt Div.
Morgan County, Dist. 6	IDOT	Morgan	1,500	\$49.48	\$74,220.00	Cargill Salt Div.
Morgan County, Dist. 6	IDOT	Morgan	1,100	\$49.48	\$54,428.00	Cargill Salt Div.
		Morgan Total	5,200		\$257,296.00	
		Morgan Weighted Average price/ton		\$49.48		
Moultrie County, Dist. 7	IDOT	Moultrie	810	\$73.61	\$59,624.10	North American Salt Co.
Moultrie County, Dist. 7	IDOT	Moultrie	690	\$73.61	\$50,790.90	North American Salt Co.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Moultrie Total	1,500		\$110,415.00	
		Moultrie Weighted Average price/ton		\$73.61		
Byron TWP. Road Dist	Local	Ogle	450	\$51.39	\$23,125.50	Cargill Salt Div.
Flagg Township	Local	Ogle	700	\$51.39	\$35,973.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Ogle	2,500	\$51.39	\$128,475.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Ogle	1,000	\$51.39	\$51,390.00	Cargill Salt Div.
Marion Township, Stillman Valley	Local	Ogle	320	\$51.39	\$16,444.80	Cargill Salt Div.
Mt. Morris, Village of	Local	Ogle	200	\$51.39	\$10,278.00	Cargill Salt Div.
Ogle County Highway Department, Oregon	Local	Ogle	4,500	\$51.39	\$231,255.00	Cargill Salt Div.
Ogle County, Dist. 2	IDOT	Ogle	4,540	\$51.39	\$233,310.60	Cargill Salt Div.
Ogle County, Dist. 2	IDOT	Ogle	9,000	\$51.39	\$462,510.00	Cargill Salt Div.
Polo, City of	Local	Ogle	175	\$51.39	\$8,993.25	Cargill Salt Div.
Rochelle, City of	Local	Ogle	1,600	\$51.39	\$82,224.00	Cargill Salt Div.
Rockvale Township, Oregon	Local	Ogle	500	\$51.39	\$25,695.00	Cargill Salt Div.
Scott Township, Davis Junction, Ogle	Local	Ogle	100	\$51.39	\$5,139.00	Cargill Salt Div.
		Ogle Total	25,585		\$1,314,813.15	
		Ogle Weighted Average price/ton		\$51.39		
Bartonville, Village of	Local	Peoria	1,300	\$47.54	\$61,802.00	Cargill Salt Div.
Bellevue, Village of	Local	Peoria	300	\$47.54	\$14,262.00	Cargill Salt Div.
Chillicothe, City of	Local	Peoria	300	\$47.54	\$14,262.00	Cargill Salt Div.
Limestone Township Road Dist, Bartonville	Local	Peoria	300	\$47.54	\$14,262.00	Cargill Salt Div.
Medina Township Hwy Department, Mossville	Local	Peoria	1,000	\$47.54	\$47,540.00	Cargill Salt Div.
Peoria County Highway Department	Local	Peoria	12,000	\$47.54	\$570,480.00	Cargill Salt Div.
Peoria County, Dist. 4	IDOT	Peoria	4,900	\$47.54	\$232,946.00	Cargill Salt Div.
Peoria County, Dist. 4	IDOT	Peoria	7,300	\$47.54	\$347,042.00	Cargill Salt Div.
Peoria Heights, Village of	Local	Peoria	600	\$47.54	\$28,524.00	Cargill Salt Div.
Peoria, City of	Local	Peoria	13,000	\$47.54	\$618,020.00	Cargill Salt Div.
West Peoria, City of	Local	Peoria	550	\$47.54	\$26,147.00	Cargill Salt Div.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Peoria Total			41,550		\$1,975,287.00	
Peoria Weighted Average price/ton				\$47.54		
Perry County Highway Department, Pinckneyville	Local	Perry	704	\$54.81	\$38,586.24	Cargill Salt Div.
Perry County, Dist. 9	IDOT	Perry	1,150	\$54.81	\$63,031.50	Cargill Salt Div.
Perry County, Dist. 9	IDOT	Perry	150	\$54.81	\$8,221.50	Cargill Salt Div.
Pinckneyville, City of	Local	Perry	100	\$54.81	\$5,481.00	Cargill Salt Div.
Perry Total			2,104		\$115,320.24	
Perry Weighted Average price/ton				\$54.81		
Mansfield, Village of	Local	Piatt	52	\$62.27	\$3,238.04	Cargill Salt Div.
Monticello, City of	Local	Piatt	300	\$62.27	\$18,681.00	Cargill Salt Div.
Piatt County, Dist. 5	IDOT	Piatt	300	\$62.27	\$18,681.00	Cargill Salt Div.
Piatt County, Dist. 5	IDOT	Piatt	2,300	\$62.27	\$143,221.00	Cargill Salt Div.
Unity Road District	Local	Piatt	100	\$62.27	\$6,227.00	Cargill Salt Div.
Piatt Total			3,052		\$190,048.04	
Piatt Weighted Average price/ton				\$62.27		
Barry, City of	Local	Pike	25	\$54.10	\$1,352.50	Cargill Salt Div.
Pike County Highway Department, Pittsfield	Local	Pike	800	\$54.10	\$43,280.00	Cargill Salt Div.
Pike County, Dist. 6	IDOT	Pike	200	\$54.10	\$10,820.00	Cargill Salt Div.
Pike County, Dist. 6	IDOT	Pike	2,000	\$54.10	\$108,200.00	Cargill Salt Div.
Pleasant Hill, Village of	Local	Pike	50	\$54.10	\$2,705.00	Cargill Salt Div.
Pike Total			3,075		\$166,357.50	
Pike Weighted Average price/ton				\$54.10		
Golconda, City of	Local	Pope	60	\$82.98	\$4,978.80	North American Salt Co.
Pope County, Dist. 9	IDOT	Pope	50	\$82.98	\$4,149.00	North American Salt Co.
Pope County, Dist. 9	IDOT	Pope	750	\$82.98	\$62,235.00	North American Salt Co.
Pope Total			860		\$71,362.80	
Pope Weighted Average price/ton				\$82.98		

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Pulaski County Highway Department, Villa Ridge	Local	Pulaski	150	\$121.29	\$18,193.50	North American Salt Co.
		Pulaski Total Pulaski Weighted Average price/ton	150	\$121.29	\$18,193.50	
Granville, Village of	Local	Putnam	120	\$48.04	\$5,764.80	Cargill Salt Div.
Putnam Cnty Highway Department, Hennepin	Local	Putnam	700	\$48.04	\$33,628.00	Cargill Salt Div.
		Putnam Total Putnam Weighted Average price/ton	820	\$48.04	\$39,392.80	
Chester, City of	Local	Randolph	200	\$52.44	\$10,488.00	Cargill Salt Div.
Randolph County Highway Department, Sparta	Local	Randolph	400	\$52.44	\$20,976.00	Cargill Salt Div.
Randolph County Road Dist., Red Bud	Local	Randolph	44	\$52.44	\$2,307.36	Cargill Salt Div.
Randolph County Road District #1, Sparta	Local	Randolph	70	\$52.44	\$3,670.80	Cargill Salt Div.
Randolph County, Dist. 8	IDOT	Randolph	500	\$52.44	\$26,220.00	Cargill Salt Div.
Randolph County, Dist. 8	IDOT	Randolph	2,000	\$52.44	\$104,880.00	Cargill Salt Div.
		Randolph Total Randolph Weighted Average price/ton	3,214	\$52.44	\$168,542.16	
Olney, City of	Local	Richland	90	\$87.84	\$7,905.60	North American Salt Co.
Richland County Highway Department, Olney	Local	Richland	25	\$87.84	\$2,196.00	North American Salt Co.
Richland County, Dist. 7	IDOT	Richland	250	\$87.84	\$21,960.00	North American Salt Co.
Richland County, Dist. 7	IDOT	Richland	450	\$87.84	\$39,528.00	North American Salt Co.

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State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Richland	815		\$71,589.60	
		Total Richland Weighted Average price/ton		\$87.84		
Carbon Cliff, Village of	Local	Rock Island	150	\$130.56	\$19,584.00	North American Salt Co.
Cordova, Village of	Local	Rock Island	120	\$130.56	\$15,667.20	North American Salt Co.
East Moline, City of	Local	Rock Island	1,800	\$130.56	\$235,008.00	North American Salt Co.
Hampton, Village of	Local	Rock Island	140	\$130.56	\$18,278.40	North American Salt Co.
Moline, City of	Local	Rock Island	4,500	\$130.56	\$587,520.00	North American Salt Co.
Port Byron, Village of	Local	Rock Island	325	\$130.56	\$42,432.00	North American Salt Co.
Rapids City, Village of	Local	Rock Island	150	\$130.56	\$19,584.00	North American Salt Co.
Rock Island , City of	Local	Rock Island	4,000	\$130.56	\$522,240.00	North American Salt Co.
Rock Island County Highway Department, Milan	Local	Rock Island	8,024	\$130.56	\$1,047,613.44	North American Salt Co.
Rock Island County, Dist. 2	IDOT	Rock Island	2,050	\$130.56	\$267,648.00	North American Salt Co.
Rock Island County, Dist. 2	IDOT	Rock Island	11,500	\$130.56	\$1,501,440.00	North American Salt Co.
Silvis, City of	Local	Rock Island	650	\$130.56	\$84,864.00	North American Salt Co.
		Rock Island Total	33,409		\$4,361,879.04	
		Rock Island Weighted Average price/ton		\$130.56		
Saline County Highway Dept, Harrisburg	Local	Saline	200	\$84.12	\$16,824.00	North American Salt Co.
Saline County, Dist. 9	IDOT	Saline	1,000	\$84.12	\$84,120.00	North American Salt Co.
Saline County, Dist. 9	IDOT	Saline	825	\$84.12	\$69,399.00	North American Salt Co.
		Saline Total	2,025		\$170,343.00	
		Saline Weighted Average price/ton		\$84.12		

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Abraham Lincoln Capital Airport, Springfield	Local	Sangamon	75	\$56.55	\$4,241.25	Cargill Salt Div.
Divernon, Village of	Local	Sangamon	40	\$56.55	\$2,262.00	Cargill Salt Div.
Grandview Village of Springfield	Local	Sangamon	50	\$56.55	\$2,827.50	Cargill Salt Div.
Sangamon County Highway Department, Springfield	Local	Sangamon	2,825	\$56.55	\$159,753.75	Cargill Salt Div.
Sangamon County, Dist. 6	IDOT	Sangamon	4,400	\$56.55	\$248,820.00	Cargill Salt Div.
Sangamon County, Dist. 6	IDOT	Sangamon	6,600	\$56.55	\$373,230.00	Cargill Salt Div.
Springfield, City of	Local	Sangamon	8,000	\$56.55	\$452,400.00	Cargill Salt Div.
Univ. Of Illinois at Springfield	State	Sangamon	75	\$56.55	\$4,241.25	Cargill Salt Div.
Williamsville Village of, Sangamon	Local	Sangamon	100	\$56.55	\$5,655.00	Cargill Salt Div.
		Sangamon Total	22,165		\$1,253,430.75	
		Sangamon Weighted Average price/ton		\$56.55		
Camden Township	Local	Schuyler	40	\$50.61	\$2,024.40	Cargill Salt Div.
Littleton Township	Local	Schuyler	50	\$50.61	\$2,530.50	Cargill Salt Div.
Schuyler County Hwy	Local	Schuyler	350	\$50.61	\$17,713.50	Cargill Salt Div.
Schuyler County, Dist. 6	IDOT	Schuyler	1,700	\$50.61	\$86,037.00	Cargill Salt Div.
		Schuyler Total	2,140		\$108,305.40	
		Schuyler Weighted Average price/ton		\$50.61		
Scott County Highway Dept.	Local	Scott	400	\$50.53	\$20,212.00	Cargill Salt Div.
Scott County, Dist. 6	IDOT	Scott	1,000	\$50.53	\$50,530.00	Cargill Salt Div.
Winchester, City of	Local	Scott	120	\$50.53	\$6,063.60	Cargill Salt Div.
		Scott Total	1,520		\$76,805.60	
		Scott Weighted Average price/ton		\$50.53		
Shelby County HWY	Local	Shelby	100	\$96.18	\$9,618.00	North American Salt Co.
Shelby County, Dist. 7	IDOT	Shelby	1,500	\$96.18	\$144,270.00	North American Salt Co.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Shelby Total			1,600		\$153,888.00	
Shelby Weighted Average price/ton				\$96.18		
Mascoutah, City of	Local	St. Clair	125	\$46.78	\$5,847.50	Cargill Salt Div.
MidAmerican St. Louis Airport, Mascoutah, St. Clair	Local	St. Clair	40	\$46.78	\$1,871.20	Cargill Salt Div.
New Athens, Village of	Local	St. Clair	75	\$46.78	\$3,508.50	Cargill Salt Div.
O'Fallon, City of	Local	St. Clair	3,000	\$46.78	\$140,340.00	Cargill Salt Div.
Shiloh, Village of	Local	St. Clair	500	\$46.78	\$23,390.00	Cargill Salt Div.
St. Clair County, Dist. 8	IDOT	St. Clair	5,300	\$46.78	\$247,934.00	Cargill Salt Div.
St. Clair County, Dist. 8	IDOT	St. Clair	6,700	\$46.78	\$313,426.00	Cargill Salt Div.
St. Clair Total			15,740		\$736,317.20	
St. Clair Weighted Average price/ton				\$46.78		
Stark County, Dist. 4	IDOT	Stark	1,600	\$58.46	\$93,536.00	Cargill Salt Div.
Stark County, Dist. 4	IDOT	Stark	2,200	\$58.46	\$128,612.00	Cargill Salt Div.
Stark Total			3,800		\$222,148.00	
Stark Weighted Average price/ton				\$58.46		
Buckeye Township, Freeport	Local	Stephenson	125	\$130.74	\$16,342.50	North American Salt Co.
Cedarville, Village of	Local	Stephenson	75	\$130.74	\$9,805.50	North American Salt Co.
Dakota Township, Stephenson	Local	Stephenson	50	\$130.74	\$6,537.00	North American Salt Co.
Erin Township	Local	Stephenson	65	\$130.74	\$8,498.10	North American Salt Co.
Florence Township Pearl City	Local	Stephenson	250	\$130.74	\$32,685.00	North American Salt Co.
Freeport Park Dist.	Local	Stephenson	40	\$130.74	\$5,229.60	North American Salt Co.
Freeport, City of	Local	Stephenson	2,500	\$130.74	\$326,850.00	North American Salt Co.
German Valley, Village of	Local	Stephenson	25	\$130.74	\$3,268.50	North American Salt Co.
Harlem Township, Freeport	Local	Stephenson	800	\$130.74	\$104,592.00	North American Salt Co.
Jefferson Township, Pearl City	Local	Stephenson	50	\$130.74	\$6,537.00	North American Salt Co.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Kent Township, Stephenson County	Local	Stephenson	75	\$130.74	\$9,805.50	North American Salt Co.
Lancaster Township, Freeport	Local	Stephenson	225	\$130.74	\$29,416.50	North American Salt Co.
Lena, Village of	Local	Stephenson	325	\$130.74	\$42,490.50	North American Salt Co.
Loran Township, Pearl City	Local	Stephenson	200	\$130.74	\$26,148.00	North American Salt Co.
Oneco Township, Orangeville	Local	Stephenson	66	\$130.74	\$8,628.84	North American Salt Co.
Pearl City, Village of	Local	Stephenson	50	\$130.74	\$6,537.00	North American Salt Co.
Ridott Township Hwy. Ridott	Local	Stephenson	150	\$130.74	\$19,611.00	North American Salt Co.
Rock Grove Township, Rock City	Local	Stephenson	100	\$130.74	\$13,074.00	North American Salt Co.
Rock Run Township, Rock City	Local	Stephenson	150	\$130.74	\$19,611.00	North American Salt Co.
Silver Creek TWP., Baileyville	Local	Stephenson	100	\$130.74	\$13,074.00	North American Salt Co.
Stephenson County Highway Department, Freeport	Local	Stephenson	2,000	\$130.74	\$261,480.00	North American Salt Co.
Stephenson County, Dist. 2	IDOT	Stephenson	1,450	\$130.74	\$189,573.00	North American Salt Co.
Stephenson County, Dist. 2	IDOT	Stephenson	5,000	\$130.74	\$653,700.00	North American Salt Co.
Waddams Township, McConnell	Local	Stephenson	125	\$130.74	\$16,342.50	North American Salt Co.
Winslow Township	Local	Stephenson	60	\$130.74	\$7,844.40	North American Salt Co.
Stephenson Total			14,056		\$1,837,681.44	
Stephenson Weighted Average price/ton				\$130.74		
Creve Coeur, Village of	Local	Tazewell	500	\$49.55	\$24,775.00	Cargill Salt Div.
East Peoria, City of Tazewell	Local	Tazewell	4,200	\$49.55	\$208,110.00	Cargill Salt Div.
Marquette Heights City of	Local	Tazewell	250	\$49.55	\$12,387.50	Cargill Salt Div.
North Pekin, Village of	Local	Tazewell	125	\$49.55	\$6,193.75	Cargill Salt Div.
Pekin, City of	Local	Tazewell	3,000	\$49.55	\$148,650.00	Cargill Salt Div.
Tazewell County, Dist. 4	IDOT	Tazewell	3,500	\$49.55	\$173,425.00	Cargill Salt Div.
Tazewell County, Dist. 4	IDOT	Tazewell	6,900	\$49.55	\$341,895.00	Cargill Salt Div.
Washington, City of	Local	Tazewell	950	\$49.55	\$47,072.50	Cargill Salt Div.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Tazewell Total	19,425		\$962,508.75	
		Tazewell Weighted Average price/ton		\$49.55		
Union County Highway Dept. Jonesboro	Local	Union	300	\$82.78	\$24,834.00	North American Salt Co.
Union County, Dist. 9	IDOT	Union	1,850	\$82.78	\$153,143.00	North American Salt Co.
Union County, Dist. 9	IDOT	Union	950	\$82.78	\$78,641.00	North American Salt Co.
		Union Total	3,100		\$256,618.00	
		Union Weighted Average price/ton		\$82.78		
Danville Township Road District	Local	Vermilion	1,500	\$73.14	\$109,710.00	North American Salt Co.
Danville, City of	Local	Vermilion	2,000	\$73.14	\$146,280.00	North American Salt Co.
Hoopeston, City of	Local	Vermilion	200	\$73.14	\$14,628.00	North American Salt Co.
Tilton, Village of	Local	Vermilion	700	\$73.14	\$51,198.00	North American Salt Co.
Vermilion County Hwy. Dept., Oakwood, IL	Local	Vermilion	2,500	\$73.14	\$182,850.00	North American Salt Co.
Vermilion County, Dist. 5	IDOT	Vermilion	1,500	\$73.14	\$109,710.00	North American Salt Co.
Vermilion County, Dist. 5	IDOT	Vermilion	4,400	\$73.14	\$321,816.00	North American Salt Co.
		Vermilion Total	12,800		\$936,192.00	
		Vermilion Weighted Average price/ton		\$73.14		
Wabash County Highway Department, Mt. Carmel	Local	Wabash	80	\$126.24	\$10,099.20	North American Salt Co.
Wabash County, Dist. 7	IDOT	Wabash	470	\$126.24	\$59,332.80	North American Salt Co.
Wabash County, Dist. 7	IDOT	Wabash	1,030	\$126.24	\$130,027.20	North American Salt Co.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Wabash Total	1,580		\$199,459.20	
		Wabash Weighted Average price/ton		\$126.24		
Monmouth, City of	Local	Warren	600	\$66.39	\$39,834.00	North American Salt Co.
Warren Co. Hwy. Dept	Local	Warren	913	\$66.39	\$60,614.07	North American Salt Co.
Warren County, Dist. 4	IDOT	Warren	900	\$66.39	\$59,751.00	North American Salt Co.
Warren County, Dist. 4	IDOT	Warren	3,100	\$66.39	\$205,809.00	North American Salt Co.
		Warren Total	5,513		\$366,008.07	
		Warren Weighted Average price/ton		\$66.39		
Washington County Highway Department, Nashville	Local	Washington	150	\$52.64	\$7,896.00	Cargill Salt Div.
Washington County, Dist. 8	IDOT	Washington	1,000	\$52.64	\$52,640.00	Cargill Salt Div.
Washington County, Dist. 8	IDOT	Washington	800	\$52.64	\$42,112.00	Cargill Salt Div.
		Washington Total	1,950		\$102,648.00	
		Washington Weighted Average price/ton		\$52.64		
Barnhill Township	Local	Wayne	22	\$85.56	\$1,882.32	North American Salt Co.
Wayne County Highway Department, Fairfield	Local	Wayne	150	\$85.56	\$12,834.00	North American Salt Co.
Wayne County, Dist. 7	IDOT	Wayne	600	\$85.56	\$51,336.00	North American Salt Co.
Wayne County, Dist. 7	IDOT	Wayne	1,100	\$85.56	\$94,116.00	North American Salt Co.
		Wayne Total	1,872		\$160,168.32	
		Wayne Weighted Average price/ton		\$85.56		

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Grayville, City of, White County	Local	White	60	\$83.46	\$5,007.60	North American Salt Co.
White Total			60		\$5,007.60	
				\$83.46		
White Weighted Average price/ton						
Coloma TWP Road Dist Rock Falls, Whiteside	Local	Whiteside	100	\$58.21	\$5,821.00	Cargill Salt Div.
Fulton, City of	Local	Whiteside	500	\$58.21	\$29,105.00	Cargill Salt Div.
Hopkins TWP RD Dist	Local	Whiteside	400	\$58.21	\$23,284.00	Cargill Salt Div.
Jordan Township, Sterling	Local	Whiteside	75	\$58.21	\$4,365.75	Cargill Salt Div.
Montmorency TWP., Rock Falls	Local	Whiteside	600	\$58.21	\$34,926.00	Cargill Salt Div.
Morrison, City of	Local	Whiteside	300	\$58.21	\$17,463.00	Cargill Salt Div.
Rock Falls, City of	Local	Whiteside	2,100	\$58.21	\$122,241.00	Cargill Salt Div.
Sterling Township, Sterling	Local	Whiteside	1,400	\$58.21	\$81,494.00	Cargill Salt Div.
Sterling, City of	Local	Whiteside	1,200	\$58.21	\$69,852.00	Cargill Salt Div.
Whiteside County Highway Department, Morrison	Local	Whiteside	4,000	\$58.21	\$232,840.00	Cargill Salt Div.
Whiteside County, Dist. 2	IDOT	Whiteside	3,200	\$58.21	\$186,272.00	Cargill Salt Div.
Whiteside County, Dist. 2	IDOT	Whiteside	8,000	\$58.21	\$465,680.00	Cargill Salt Div.
Whiteside Total			21,875		\$1,273,343.75	
				\$58.21		
Whiteside Weighted Average price/ton						
Beecher, Village of	Local	Will	600	\$57.96	\$34,776.00	Cargill Salt Div.
Bolingbrook, Village of	Local	Will	7,500	\$57.96	\$434,700.00	Cargill Salt Div.
Braidwood, City of	Local	Will	1,000	\$57.96	\$57,960.00	Cargill Salt Div.
Channahon, Village of	Local	Will	2,000	\$57.96	\$115,920.00	Cargill Salt Div.
Crest Hill, City of	Local	Will	1,000	\$57.96	\$57,960.00	Cargill Salt Div.
Crete Township Highway Department	Local	Will	1,500	\$57.96	\$86,940.00	Cargill Salt Div.
Crete, Village of	Local	Will	1,100	\$57.96	\$63,756.00	Cargill Salt Div.
Elwood, Village of	Local	Will	900	\$57.96	\$52,164.00	Cargill Salt Div.
Frankfort Township Road District	Local	Will	2,000	\$57.96	\$115,920.00	Cargill Salt Div.
Frankfort, Village of	Local	Will	3,700	\$57.96	\$214,452.00	Cargill Salt Div.
Governors State Univ G.S.U. Campus, University Park	State	Will	300	\$57.96	\$17,388.00	Cargill Salt Div.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
Illinois State Toll Highway Authority	ISTHA	Will	4,000	\$57.96	\$231,840.00	Cargill Salt Div.
Illinois State Toll Highway Authority	ISTHA	Will	2,500	\$57.96	\$144,900.00	Cargill Salt Div.
Jackson Township Highway Department, Elwood	Local	Will	250	\$57.96	\$14,490.00	Cargill Salt Div.
Joliet Township Road District	Local	Will	2,500	\$57.96	\$144,900.00	Cargill Salt Div.
Joliet TWP H.S.D. 204 Joliet	Local	Will	200	\$57.96	\$11,592.00	Cargill Salt Div.
Joliet, City of	Local	Will	11,000	\$57.96	\$637,560.00	Cargill Salt Div.
Lockport Township Highway Department, Lockport	Local	Will	1,400	\$57.96	\$81,144.00	Cargill Salt Div.
Lockport, City of	Local	Will	3,750	\$57.96	\$217,350.00	Cargill Salt Div.
Lockport, School Dist Lockport	Local	Will	75	\$57.96	\$4,347.00	Cargill Salt Div.
Manhattan Township Road District	Local	Will	150	\$57.96	\$8,694.00	Cargill Salt Div.
Manhattan, Village of	Local	Will	800	\$57.96	\$46,368.00	Cargill Salt Div.
Mokena, Village of	Local	Will	4,000	\$57.96	\$231,840.00	Cargill Salt Div.
Monee TWP Hwy Dept.	Local	Will	600	\$57.96	\$34,776.00	Cargill Salt Div.
New Lenox Township Highway Department	Local	Will	2,000	\$57.96	\$115,920.00	Cargill Salt Div.
New Lenox, Village of	Local	Will	3,200	\$57.96	\$185,472.00	Cargill Salt Div.
Plainfield Township Highway Department	Local	Will	1,000	\$57.96	\$57,960.00	Cargill Salt Div.
Plainfield, Village of	Local	Will	6,000	\$57.96	\$347,760.00	Cargill Salt Div.
Romeoville, Village of	Local	Will	7,000	\$57.96	\$405,720.00	Cargill Salt Div.
Shorewood, Village of	Local	Will	3,000	\$57.96	\$173,880.00	Cargill Salt Div.
Troy Township Highway Department, Shorewood	Local	Will	500	\$57.96	\$28,980.00	Cargill Salt Div.
University Park, Village of	Local	Will	1,900	\$57.96	\$110,124.00	Cargill Salt Div.
ValleyView Community Unit School 365, Romeoville	Local	Will	550	\$57.96	\$31,878.00	Cargill Salt Div.
Washington Township Highway Department	Local	Will	500	\$57.96	\$28,980.00	Cargill Salt Div.
Wheatland Township Highway Department	Local	Will	1,200	\$57.96	\$69,552.00	Cargill Salt Div.
Will County Highway Department	Local	Will	15,000	\$57.96	\$869,400.00	Cargill Salt Div.
Will County, Dist. 1	IDOT	Will	7,000	\$57.96	\$405,720.00	Cargill Salt Div.
Will County, Dist. 1	IDOT	Will	22,000	\$57.96	\$1,275,120.00	Cargill Salt Div.
Wilmington, City of	Local	Will	400	\$57.96	\$23,184.00	Cargill Salt Div.

Appendix B
First Solicitation Awards (#222600)

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Will Total	124,075		\$7,191,387.00	
		Will Weighted Average price/ton		\$57.96		
Herrin, City of	Local	Williamson	150	\$83.80	\$12,570.00	North American Salt Co.
Marion, City of	Local	Williamson	800	\$83.80	\$67,040.00	North American Salt Co.
Williamson County Highway Department, Marion	Local	Williamson	2,200	\$83.80	\$184,360.00	North American Salt Co.
Williamson County, Dist. 9	IDOT	Williamson	1,900	\$83.80	\$159,220.00	North American Salt Co.
Williamson County, Dist. 9	IDOT	Williamson	975	\$83.80	\$81,705.00	North American Salt Co.
		Williamson Total	6,025		\$504,895.00	
		Williamson Weighted Average price/ton		\$83.80		
Cherry Valley TWP. Highway Department, Rockford	Local	Winnebago	500	\$54.55	\$27,275.00	Cargill Salt Div.
Cherry Valley, Village of	Local	Winnebago	460	\$54.55	\$25,093.00	Cargill Salt Div.
Harlem Township	Local	Winnebago	160	\$54.55	\$8,728.00	Cargill Salt Div.
Machesney Park, Village of	Local	Winnebago	4,000	\$54.55	\$218,200.00	Cargill Salt Div.
Rock Valley College Rockford, Winnebago County	Local	Winnebago	250	\$54.55	\$13,637.50	Cargill Salt Div.
Rockford Township Highway Department, Rockford	Local	Winnebago	3,500	\$54.55	\$190,925.00	Cargill Salt Div.
Rockford, City of	Local	Winnebago	22,000	\$54.55	\$1,200,100.00	Cargill Salt Div.
Rockton Township, Highway	Local	Winnebago	500	\$54.55	\$27,275.00	Cargill Salt Div.
Roscoe, Village of	Local	Winnebago	2,000	\$54.55	\$109,100.00	Cargill Salt Div.
Winnebago County	Local	Winnebago	24,200	\$54.55	\$1,320,110.00	Cargill Salt Div.
Winnebago County, Dist. 2	IDOT	Winnebago	2,800	\$54.55	\$152,740.00	Cargill Salt Div.
Winnebago County, Dist. 2	IDOT	Winnebago	8,000	\$54.55	\$436,400.00	Cargill Salt Div.
Winnebago Township	Local	Winnebago	300	\$54.55	\$16,365.00	Cargill Salt Div.

**Appendix B
First Solicitation Awards (#222600)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/Ton	Award Amount	Company Awarded Contract
		Winnebago Total	68,670		\$3,745,948.50	
		Winnebago Weighted Average price/ton		\$54.55		
Minonk, City of, Woodford	Local	Woodford	100	\$55.71	\$5,571.00	Cargill Salt Div.
Woodford County, Dist. 4	IDOT	Woodford	1,500	\$55.71	\$83,565.00	Cargill Salt Div.
Woodford County, Dist. 4	IDOT	Woodford	3,300	\$55.71	\$183,843.00	Cargill Salt Div.
		Woodford Total	4,900		\$272,979.00	
		Woodford Weighted Average price/ton		\$55.71		
		Grand Total	1,348,829		\$91,227,336.24	
		Grand Total Weighted Average price/ton		\$67.63		

Note: Contract Award Amount does not include fees totaling \$300.50.

Source: Solicitation #222600 Awards and CMS Bid tabulations.

APPENDIX C
Awards by Location
Second Solicitation
(#223231)

**Appendix C
Second Solicitation Awards (#223231)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/ton	Award Amount	Winning Bidder	Award #
Belvidere, City of	Local	Boone	660	\$96.18	\$63,478.80	Morton International Inc.	1st Award
Belvidere, City of	Local	Boone	250	\$168.03	\$42,007.50	North American Salt Co.	2nd Award
Boone County Dist. 2	IDOT	Boone	1,950	\$96.18	\$187,551.00	Morton International Inc.	1st Award- Initial
Boone County Dist. 2	IDOT	Boone	3,000	\$96.18	\$288,540.00	Morton International Inc.	1st Award- Seasonal
Boone County Hwy. Dpt Belvidere	Local	Boone	613	\$96.18	\$58,958.34	Morton International Inc.	1st Award
Boone County Hwy. Dpt Belvidere	Local	Boone	426	\$96.18	\$40,972.68	Morton International Inc.	1st Award
Boone County Hwy. Dpt Belvidere	Local	Boone	107	\$96.18	\$10,291.26	Morton International Inc.	1st Award
Boone County Hwy. Dpt Belvidere	Local	Boone	107	\$96.18	\$10,291.26	Morton International Inc.	1st Award
Boone County Hwy. Dpt Belvidere	Local	Boone	68	\$96.18	\$6,540.24	Morton International Inc.	1st Award
Boone County Hwy. Dpt Belvidere	Local	Boone	80	\$96.18	\$7,694.40	Morton International Inc.	1st Award
Boone County Hwy. Dpt Belvidere	Local	Boone	34	\$96.18	\$3,270.12	Morton International Inc.	1st Award
Boone County Hwy. Dpt Belvidere	Local	Boone	200	\$168.03	\$33,606.00	North American Salt Co.	2nd Award
Poplar Grove Village of	Local	Boone	135	\$98.77	\$13,333.95	Morton International Inc.	1st Award
Boone Total			7,630		\$766,535.55		
				Weighted Average price/ton	\$100.46		
Barrington, Village of	Local	Cook	612	\$106.03	\$64,890.36	Morton International Inc.	1st Award
Bartlett, Village of	Local	Cook	955	\$100.19	\$95,681.45	Morton International Inc.	1st Award
Bartlett, Village of	Local	Cook	2,500	\$159.31	\$398,275.00	North American Salt Co.	2nd Award
Bedford Park, Village of	Local	Cook	318	\$101.99	\$32,432.82	Morton International Inc.	1st Award

Appendix C
Second Solicitation Awards (#223231)

State or Local Community Name	LGU or State Agency	County	Tons	\$/ton	Award Amount	Winning Bidder	Award #
Bedford Park, Village of	Local	Cook	882	\$153.89	\$135,730.98	North American Salt Co.	2nd Award
Berwyn, City of	Local	Cook	1,055	\$101.99	\$107,599.45	Morton International Inc.	1st Award
Bishop Ford	IDOT	Cook	1,000	\$102.79	\$102,790.00	Morton International Inc.	1st Award- Initial
Bishop Ford	IDOT	Cook	5,000	\$102.79	\$513,950.00	Morton International Inc.	1st Award- Seasonal
Bridgeview, Village of	Local	Cook	490	\$101.11	\$49,543.90	Morton International Inc.	1st Award
Bridgeview, Village of	Local	Cook	1,400	\$153.89	\$215,446.00	North American Salt Co.	2nd Award
Buffalo Grove, Village of	Local	Cook	1,320	\$106.03	\$139,959.60	Morton International Inc.	1st Award
Calumet Park, Village of	Local	Cook	370	\$102.79	\$38,032.30	Morton International Inc.	1st Award
Chicago Heights, City of	Local	Cook	820	\$103.47	\$84,845.40	Morton International Inc.	1st Award
Countryside, City of	Local	Cook	250	\$101.11	\$25,277.50	Morton International Inc.	1st Award
Des Plaines, City of	Local	Cook	1,585	\$104.25	\$165,236.25	Morton International Inc.	1st Award
Des Plaines, City of	Local	Cook	1,500	\$137.47	\$206,205.00	International Salt Co. LLC	2nd Award
Edens Expressway	IDOT	Cook	1,500	\$105.43	\$158,145.00	Morton International Inc.	1st Award- Initial
Edens Expressway	IDOT	Cook	4,500	\$105.43	\$474,435.00	Morton International Inc.	1st Award- Seasonal
Eisenhower Expressway	IDOT	Cook	2,000	\$103.47	\$206,940.00	Morton International Inc.	1st Award
Eisenhower Expressway	IDOT	Cook	6,000	\$103.47	\$620,820.00	Morton International Inc.	1st Award- Seasonal
Elisabeth Ludeman Mental Health Center	State	Cook	200	\$103.47	\$20,694.00	Morton International Inc.	1st Award
Elk Grove, Village of	Local	Cook	1,110	\$102.79	\$114,096.90	Morton International Inc.	1st Award
Elk Grove, Village of	Local	Cook	1,400	\$157.50	\$220,500.00	North American Salt Co.	2nd Award
Flossmoor, Village of	Local	Cook	155	\$102.79	\$15,932.45	Morton International Inc.	1st Award
Flossmoor, Village of	Local	Cook	360	\$151.66	\$54,597.60	North American Salt Co.	2nd Award

**Appendix C
Second Solicitation Awards (#223231)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/ton	Award Amount	Winning Bidder	Award #
Forest Park, Village of	Local	Cook	395	\$101.99	\$40,286.05	Morton International Inc.	1st Award
Franklin Park, Village of	Local	Cook	1,320	\$102.79	\$135,682.80	Morton International Inc.	1st Award
Glenbrook North High School	Local	Cook	20	\$105.43	\$2,108.60	Morton International Inc.	1st Award
Glenbrook North High School	Local	Cook	15	\$157.50	\$2,362.50	North American Salt Co.	2nd Award
Glenbrook South High School	Local	Cook	30	\$104.25	\$3,127.50	Morton International Inc.	1st Award
Glenbrook South High School	Local	Cook	25	\$157.50	\$3,937.50	North American Salt Co.	2nd Award
Harvey	IDOT	Cook	4,000	\$102.79	\$411,160.00	Morton International Inc.	1st Award- Initial
Harvey	IDOT	Cook	6,000	\$102.79	\$616,740.00	Morton International Inc.	1st Award- Seasonal
Harwood Heights, Village of	Local	Cook	75	\$103.47	\$7,760.25	Morton International Inc.	1st Award
Harwood Heights, Village of	Local	Cook	225	\$153.89	\$34,625.25	North American Salt Co.	2nd Award
Hickory Hills, City of	Local	Cook	475	\$101.11	\$48,027.25	Morton International Inc.	1st Award
Hillside	IDOT	Cook	2,500	\$101.99	\$254,975.00	Morton International Inc.	1st Award- Initial
Hillside	IDOT	Cook	6,500	\$101.99	\$662,935.00	Morton International Inc.	1st Award- Seasonal
Hillside, Village of	Local	Cook	420	\$101.99	\$42,835.80	Morton International Inc.	1st Award
Hillside, Village of	Local	Cook	1,200	\$142.02	\$170,424.00	North American Salt Co.	2nd Award
Hoffman Estates, Village of	Local	Cook	1,985	\$104.25	\$206,936.25	Morton International Inc.	1st Award
Hoffman Estates, Village of	Local	Cook	1,815	\$137.09	\$248,818.35	International Salt Co. LLC	2nd Award
I-57 Expressway	IDOT	Cook	7,000	\$105.49	\$738,430.00	Morton International Inc.	1st Award- Early Fill Only
Illinois State Toll Highway Authority	ISTHA	Cook	3,500	\$137.05	\$479,675.00	International Salt Co. LLC	2nd Award
Inverness, Village of	Local	Cook	395	\$104.25	\$41,178.75	Morton International Inc.	1st Award
Inverness, Village of	Local	Cook	400	\$159.31	\$63,724.00	North American Salt Co.	2nd Award

Appendix C
Second Solicitation Awards (#223231)

State or Local Community Name	LGU or State Agency	County	Tons	\$/ton	Award Amount	Winning Bidder	Award #
Kenilworth, Village of	Local	Cook	80	\$106.03	\$8,482.40	Morton International Inc.	1st Award
Kenilworth, Village of	Local	Cook	220	\$157.50	\$34,650.00	North American Salt Co.	2nd Award
Kennedy Expressway	IDOT	Cook	1,000	\$103.47	\$103,470.00	Morton International Inc.	1st Award- Initial
Kennedy Expressway	IDOT	Cook	3,500	\$103.47	\$362,145.00	Morton International Inc.	1st Award- Seasonal
Lemont Bromberek Com.Sch.Dist.113 A	Local	Cook	33	\$99.73	\$3,291.09	Morton International Inc.	1st Award
Lemont Bromberek Com.Sch.Dist.113 A	Local	Cook	70	\$155.58	\$10,890.60	North American Salt Co.	2nd Award
Lincolnwood, Village of	Local	Cook	210	\$105.43	\$22,140.30	Morton International Inc.	1st Award
Maywood, Village of	Local	Cook	790	\$102.79	\$81,204.10	Morton International Inc.	1st Award
Maywood, Village of	Local	Cook	790	\$155.58	\$122,908.20	North American Salt Co.	2nd Award
Morton Grove, Village of	Local	Cook	1,585	\$104.25	\$165,236.25	Morton International Inc.	1st Award
Morton Grove, Village of	Local	Cook	1,000	\$139.25	\$139,250.00	International Salt Co. LLC	2nd Award
Niles TWP H.S.D. 219	Local	Cook	134	\$104.25	\$13,969.50	Morton International Inc.	1st Award
Niles TWP H.S.D. 219	Local	Cook	226	\$155.58	\$35,161.08	North American Salt Co.	2nd Award
Norridge, Village of	Local	Cook	260	\$103.47	\$26,902.20	Morton International Inc.	1st Award
Norridge, Village of	Local	Cook	490	\$155.58	\$76,234.20	North American Salt Co.	2nd Award
Northside	IDOT	Cook	8,000	\$103.47	\$827,760.00	Morton International Inc.	1st Award- Initial
Northside	IDOT	Cook	1,000	\$103.47	\$103,470.00	Morton International Inc.	1st Award- Seasonal
Oak Park, Village of	Local	Cook	1,855	\$102.79	\$190,675.45	Morton International Inc.	1st Award
Oak Park, Village of	Local	Cook	2,145	\$136.24	\$292,234.80	International Salt Co. LLC	2nd Award
Palos Heights, City of	Local	Cook	340	\$100.76	\$34,258.40	Morton International Inc.	1st Award

**Appendix C
Second Solicitation Awards (#223231)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/ton	Award Amount	Winning Bidder	Award #
Palos Heights, City of	Local	Cook	960	\$153.89	\$147,734.40	North American Salt Co.	2nd Award
Palwaukee Municipal Airport	Local	Cook	55	\$105.43	\$5,798.65	Morton International Inc.	1st Award
Palwaukee Municipal Airport	Local	Cook	145	\$157.50	\$22,837.50	North American Salt Co.	2nd Award
Park Forest, Village of	Local	Cook	470	\$103.47	\$48,630.90	Morton International Inc.	1st Award
Park Forest, Village of	Local	Cook	1,330	\$155.58	\$206,921.40	North American Salt Co.	2nd Award
Park Ridge, City of	Local	Cook	1,320	\$103.47	\$136,580.40	Morton International Inc.	1st Award
Park Ridge, City of	Local	Cook	2,000	\$137.32	\$274,640.00	International Salt Co. LLC	2nd Award
Posen, Village of	Local	Cook	108	\$101.99	\$11,014.92	Morton International Inc.	1st Award
Prospect Heights, City of	Local	Cook	332	\$104.25	\$34,611.00	Morton International Inc.	1st Award
River Grove, Village of	Local	Cook	330	\$109.79	\$36,230.70	Morton International Inc.	1st Award
Sauk Village, Village of	Local	Cook	186	\$104.25	\$19,390.50	Morton International Inc.	1st Award
Schaumburg School District #54	Local	Cook	94	\$104.25	\$9,799.50	Morton International Inc.	1st Award
Schaumburg, Village of	Local	Cook	2,120	\$104.25	\$221,010.00	Morton International Inc.	1st Award
Schaumburg, Village of	Local	Cook	4,880	\$136.79	\$667,535.20	International Salt Co. LLC	2nd Award
Schiller Park, Village of	Local	Cook	260	\$102.79	\$26,725.40	Morton International Inc.	1st Award
Skokie, Village of	Local	Cook	1,455	\$105.43	\$153,400.65	Morton International Inc.	1st Award
South Chicago Heights, Village of	Local	Cook	80	\$104.25	\$8,340.00	Morton International Inc.	1st Award
Stickney, Village of	Local	Cook	220	\$102.79	\$22,613.80	Morton International Inc.	1st Award
Stickney, Village of	Local	Cook	300	\$153.89	\$46,167.00	North American Salt Co.	2nd Award
Streamwood, Village of	Local	Cook	1,270	\$104.25	\$132,397.50	Morton International Inc.	1st Award
Streamwood, Village of	Local	Cook	1,000	\$159.31	\$159,310.00	North American Salt Co.	2nd Award

**Appendix C
Second Solicitation Awards (#223231)**

State or Local Community Name	LGU or State Agency	County	Tons	\$/ton	Award Amount	Winning Bidder	Award #
Triton College	Local	Cook	270	\$155.58	\$42,006.60	North American Salt Co.	2nd Award
U of I at Chicago	State	Cook	130	\$103.47	\$13,451.10	Morton International Inc.	1st Award
Winnetka, Village of	Local	Cook	265	\$106.03	\$28,097.95	Morton International Inc.	1st Award
Winnetka, Village of	Local	Cook	1,000	\$155.58	\$155,580.00	North American Salt Co.	2nd Award
Worth, Village of	Local	Cook	315	\$101.11	\$31,849.65	Morton International Inc.	1st Award
Worth, Village of	Local	Cook	385	\$152.85	\$58,847.25	North American Salt Co.	2nd Award
Cook Total			120,585		\$13,853,662.35		
			Weighted Average price/ton	\$114.89			
McHenry County Highway Dept	Local	McHenry	10,000	\$148.94	\$1,489,400.00	North American Salt Co.	2nd Award
Woodstock, City of	Local	McHenry	3,200	\$148.94	\$476,608.00	North American Salt Co.	2nd Award
McHenry Total			13,200		\$1,966,008.00		
			Weighted Average price/ton	\$148.94			
Grand Total			141,415		\$16,586,205.90		
			Grand Total	\$117.29			
			Weighted Average price/ton				

Source: Solicitation #223231 Awards and CMS Bid tabulations.

APPENDIX D
Awards by Location
Emergency Purchase
(#223393)

Appendix D
Emergency Purchase Awards (#223393)

State or Local Community Name	LGU or State Agency	County	Tons	Price/Ton	Award Amount	Company Awarded Contract
Antioch HS Dist 117 (Antioch & Lake Villa Delivery)	Local	Lake	200	\$138.52	\$27,704.00	International Salt Co.
Antioch, Village of	Local	Lake	1,000	\$138.52	\$138,520.00	International Salt Co.
Bannockburn, Village of	Local	Lake	150	\$138.52	\$20,778.00	International Salt Co.
Barrington CUSD #220	Local	Lake	350	\$138.52	\$48,482.00	International Salt Co.
Beach Park, Village of	Local	Lake	700	\$138.52	\$96,964.00	International Salt Co.
College of Lake Co. Grayslake	Local	Lake	350	\$138.52	\$48,482.00	International Salt Co.
Deerfield, Village of	Local	Lake	2,000	\$138.52	\$277,040.00	International Salt Co.
Fox Lake, Village of	Local	Lake	500	\$138.52	\$69,260.00	International Salt Co.
Grayslake, Village of	Local	Lake	2,500	\$138.52	\$346,300.00	International Salt Co.
Gurnee, Village of	Local	Lake	3,000	\$138.52	\$415,560.00	International Salt Co.
Hainesville, Village of	Local	Lake	100	\$138.52	\$13,852.00	International Salt Co.
Hawthorn Woods, Village of	Local	Lake	550	\$138.52	\$76,186.00	International Salt Co.
Highland Park, City of	Local	Lake	3,500	\$138.52	\$484,820.00	International Salt Co.
Highwood, City of	Local	Lake	500	\$138.52	\$69,260.00	International Salt Co.
Island Lake, Village of	Local	Lake	1,000	\$138.52	\$138,520.00	International Salt Co.
Lake Bluff, Village of	Local	Lake	750	\$138.52	\$103,890.00	International Salt Co.
Lake County Division of Transportation, Libertyville	Local	Lake	5,000	\$138.52	\$692,600.00	International Salt Co.
Lake Zurich CUSD #95	Local	Lake	300	\$138.52	\$41,556.00	International Salt Co.
Libertyville HS Dist 128	Local	Lake	200	\$138.52	\$27,704.00	International Salt Co.
Libertyville, Village of	Local	Lake	1,700	\$138.52	\$235,484.00	International Salt Co.
Libertyville Township Highway Department	Local	Lake	50	\$138.52	\$6,926.00	International Salt Co.
Lincolnshire, School Dist.	Local	Lake	25	\$138.52	\$3,463.00	International Salt Co.
Lincolnshire, Village of	Local	Lake	1,200	\$138.52	\$166,224.00	International Salt Co.
Lindenhurst, Village of	Local	Lake	1,700	\$138.52	\$235,484.00	International Salt Co.
Long Grove, Village of	Local	Lake	1,500	\$138.52	\$207,780.00	International Salt Co.
Mundelein, Village of	Local	Lake	4,200	\$138.52	\$581,784.00	International Salt Co.
North Chicago, City of	Local	Lake	1,500	\$138.52	\$207,780.00	International Salt Co.
Park City, City of	Local	Lake	150	\$138.52	\$20,778.00	International Salt Co.
Round Lake , Village of	Local	Lake	850	\$138.52	\$117,742.00	International Salt Co.
Round Lake Beach, Village of	Local	Lake	1,250	\$138.52	\$173,150.00	International Salt Co.
Round Lake Heights, Village of	Local	Lake	300	\$138.52	\$41,556.00	International Salt Co.
Round Lake Park, Village of	Local	Lake	370	\$138.52	\$51,252.40	International Salt Co.
Vernon Hills, Village of	Local	Lake	2,500	\$138.52	\$346,300.00	International Salt Co.

**Appendix D
Emergency Purchase Awards (#223393)**

State or Local Community Name	LGU or State Agency	County	Tons	Price/Ton	Award Amount	Company Awarded Contract
Wauconda, Village of	Local	Lake	1,500	\$138.52	\$207,780.00	International Salt Co.
Waukegan Public School	Local	Lake	100	\$138.52	\$13,852.00	International Salt Co.
Zion, City of	Local	Lake	1,500	\$138.52	\$207,780.00	International Salt Co.
Lake Total			43,045		\$5,962,593.40	
Algonquin, Village of	Local	McHenry	3,000	\$138.52	\$415,560.00	International Salt Co.
Crystal Lake, City of	Local	McHenry	5,000	\$138.52	\$692,600.00	International Salt Co.
Harvard, City of	Local	McHenry	700	\$138.52	\$96,964.00	International Salt Co.
Johnsburg, Village of	Local	McHenry	1,000	\$138.52	\$138,520.00	International Salt Co.
Lake in the Hills, Village of	Local	McHenry	2,600	\$138.52	\$360,152.00	International Salt Co.
Lakewood, Village of	Local	McHenry	400	\$138.52	\$55,408.00	International Salt Co.
Marengo, City of	Local	McHenry	439	\$138.52	\$60,810.28	International Salt Co.
McCullom Lake, Village of	Local	McHenry	50	\$138.52	\$6,926.00	International Salt Co.
McHenry, City of	Local	McHenry	2,500	\$138.52	\$346,300.00	International Salt Co.
McHenry School Dist #15	Local	McHenry	130	\$138.52	\$18,007.60	International Salt Co.
McHenry Township, McHenry	Local	McHenry	2,500	\$138.52	\$346,300.00	International Salt Co.
Port Barrington, Village of	Local	McHenry	80	\$138.52	\$11,081.60	International Salt Co.
Richmond, Village of	Local	McHenry	82	\$138.52	\$11,358.64	International Salt Co.
Ringwood, Village of	Local	McHenry	40	\$138.52	\$5,540.80	International Salt Co.
Spring Grove, Village of	Local	McHenry	500	\$138.52	\$69,260.00	International Salt Co.
McHenry Total			19,021		\$2,634,788.92	
Grand Total			62,066		\$8,597,382.32	

Source: Solicitation #223393 Awards and CMS Bid tabulations.

APPENDIX E
Agency Responses

CHANGING TERMS AND CONDITIONS AFTER BID OPENING

<p>RECOMMENDATION</p> <p>1</p>	<p><i>CMS should not make changes to the terms and conditions of an Invitation for Bids after bids are opened.</i></p>
<p>DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE</p>	<p>CMS agrees that changes to terms and conditions of an Invitation for Bids should not be made after bids are opened.</p> <p>In the instance of the first rock salt bid, reasonable people may differ whether CMS changed the terms and conditions of the Invitation for Bid after bid opening, or instead simply followed a term and condition contained in the Invitation for Bid.</p> <p>The advertised Invitation for Bid clearly disclosed to all interested parties that we might issue a limited award if needed to prevent a potential contract default; and that is what CMS did.</p> <p>That advertised language in the Invitation for Bids contained the following award reservation:</p> <p>Section J68120--“The State of Illinois reserves the right to limit awards to a bidder when in the opinion of the State it is evident that such awards may put the bidder in a position of high probability of default. “</p> <p>After attending the bid opening and learning of the scope of their potential awards but before award, Cargill provided CMS with written notice of its concern over their ability to fulfill awards exceeding more than 1,000,000 tons. CMS felt that the documentation supplied by Cargill and the information provided in subsequent conversations with Cargill indicated a high probability of default by Cargill at some point during the winter season. Had that occurred, CMS could not have reasonably expected to replace the Cargill salt (and certainly not at a comparable price) due to nationwide industry supply issues. Salt was known to be in limited supply (as evidenced by the unprecedented “no bid” locations the bid revealed), the price offer presented by Cargill was seen to be at or below market price, and it was determined to be in the best interests of the State and public at large to seek to preserve as much of the potential Cargill award as possible.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><i>Auditor Comment #1</i> CMS’ response indicates that Cargill submitted documentation indicating a high probability of default if it were awarded all of the areas in which it was the low bidder. However, the documentation provided to the auditors contained only general assertions that were not supported by specific</p> </div>

details, such as financial resources, available salt supply, etc. From this documentation, we do not agree that CMS could have concluded that there was a high probability that Cargill would default if it were held to its bid. Furthermore, as discussed in the audit report, Cargill continued to bid in other states after the CMS bid opening.

Finally, even if Cargill had submitted documentation demonstrating a high probability of default if it were held to its bid, we do not believe that Section J68120 permitted CMS to change the terms and conditions of the solicitation in violation of the Procurement Code.

CMS was well aware that potential damages in the distant future from Cargill for any default occurring during the winter season would never compensate for a potential extreme public safety problem in the making. Cargill indicated to CMS that it could meet 100% of the requirement for every location on which it had bid, but not 130%. Rather than let Cargill withdraw or engage in potentially protracted adversarial actions, either one of which would have had severe financial and public safety consequences to Illinois communities, CMS made a restricted award of 100% at each of those locations to Cargill. This was not the optimum result but it did maximize the amount of salt from that source, was within the terms of the Invitation for Bid and preserved the favorable price—a good result in a time of national shortage.

It is correct that the reduction in required quantity from 130% to 100% was made only for Cargill. Cargill was the only vendor that raised and documented a position of a high probability of default and was thus susceptible to a revision pursuant to Section J68120 of the Invitation for Bids. As supply issues were known to be a nationwide concern, adjusting other vendor commitments downward from 130% to 100% was not deemed necessary nor in the best interests of the State nor allowable under the terms of the Invitation for Bids.

To the best of CMS' knowledge, salt is the only commodity that has the award reservation described above. Acting upon that provision was a case of first impression for CMS and it acted in good faith in order to protect the public interest in safety and fiscal terms. However, given the rarity of the provision and the potential for abuse, CMS does not consider such a clause to be a best practice for future procurements.

PUBLIC RECORD OF BID OPENING	
RECOMMENDATION 2	<i>CMS should ensure that a written public record of all bid openings, as is required by the Illinois Procurement Code, is kept in the procurement files.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	CMS agrees with the recommendation. CMS does maintain a written public record of all bid openings in the bid file. A record was completed for the 11:00 a.m. opening on July 16, 2008. Unfortunately, the bid file for this procurement has been reviewed and copied numerous times by personnel from several different agencies, and the record of this opening is now unable to be found. This is recognized to be a CMS responsibility, and corrective instructions have been given to minimize the risk of any possible re-occurrence.

WRITTEN AWARD DECISIONS	
RECOMMENDATION 3	<i>CMS should document all decisions in writing regarding awarding of bids, including allocations to pool participants. This written documentation should be contained in the procurement files.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	CMS agrees with the recommendation that decisions be documented, and does so within the Remedy system as a matter of standard process. In regard to the allocation issue, we agree that the documentation of the decision-making process was not complete. Decisions of such magnitude deserve extra review and documentation of the decision (for example, use of a separate decision memo may be appropriate), and such documentation must be in the file.

MONITORING STOCKPILING AND SALES	
RECOMMENDATION 4	<i>CMS should ensure that vendors comply with the terms and conditions included in the Invitation for Bid and should monitor contracts to ensure vendors are meeting all requirements and submitting required reports in a timely manner.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	<p>CMS agrees with the recommendation that vendors must comply with terms and conditions in the Invitation for Bid, and that CMS should monitor contracts to ensure compliance.</p> <p>CMS agrees that the “Evidence of Stockpiling” and the “Six Month Report of Sales” were not received within the timelines defined within the Invitation for Bid.</p> <p>Language related to both of these requirements was revised in the 2009-2010 Invitation for Bid to better define CMS requirements and to improve the utility these reports afford the State.</p>

PERFORMANCE BONDS	
RECOMMENDATION 5	<i>CMS should secure a performance bond for all awards as is required by the Invitation for Bids.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	<p>CMS agrees that a performance bond for all awards should be secured, and will ensure full compliance going forward.</p> <p>As stated, as part of the first solicitation vendors submitted bonds appropriately for all salt tonnage contracted as a result of the first solicitation. This represented 87% of the total salt contracted through all procurement efforts for the 2008-2009 season.</p> <p>For the second solicitation, representing 9% of the total salt contracted, CMS did not secure bonds for the contracted salt. This was the result of an oversight by CMS.</p>

DATA ANALYSIS AND COST SAVINGS	
RECOMMENDATION 6	<i>CMS should compile appropriate electronic data sufficient to conduct analysis of bids and work with local communities to make the most effective decisions in jointly procuring bulk rock salt.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	<p>CMS agrees that having procurement data in an electronic format is an effective means to analyze bid data and contributes to effective decision making.</p> <p>CMS uses a legacy mainframe system - the Illinois Governmental Purchasing System (IGPS). This system is more than 20 years old, and is limited in its flexibility and in the ability to electronically analyze the data it contains.</p> <p>An updated system would greatly enhance CMS’ ability to analyze data and would more easily fulfill audit needs should they arise. To date there are no funds available for a system upgrade.</p>

CHANGES TO THE PROCUREMENT PROCESS	
RECOMMENDATION 7	<i>CMS should consider making changes to its joint procurement process for bulk rock salt in order to encourage competition and bidding and to protect the interests of participants.</i>
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE	<p>CMS agrees that several unprecedented circumstances surfaced during the 2008-2009 bulk road salt procurement that required that changes be considered.</p> <p>CMS sought input from vendors, various other governmental entities who purchase salt, local governmental entities, the Office of the Attorney General, and the Office of the Auditor General. Upon consideration of input received, CMS made significant changes to the 2009-2010 Invitation for Bid.</p> <p>Relative to the suggested changes made within this report:</p> <p>Timing –The 2009-2010 season’s bid was due roughly 8 weeks earlier.</p> <p>Basis of Award – In the Invitation for Bid for the 2009-2010 season, opportunities for awards for both higher aggregation of multiple counties, group awards on the basis of minimum commitment</p>

percentages, and de-aggregation to individual location awards are all allowed for under the “Method of Award”. Our belief is that this will allow for highly competitive landscape, and for more vendor participation from a variety of sources. The changes in structure of the bid were derived considering participant responses during the survey and requisition process.

Guaranteed Percentages – The State’s Invitation for Bid for 2009-2010 allows for both 80% and 100% minimum commitment percentages at the participant’s choice. Maximum commitment percentages are at 120%. Last year, the minimum percentage in the initial solicitation was 70%, and the maximum percentage was 130%. While limiting a degree of flexibility, these tighter ranges of flexibility appear to have encouraged vendor participation and competitive, less risk-based pricing.

Stockpiling Requirements – CMS reviewed stockpiling requirements and more clearly defined “Upper Mississippi” and “all other” stockpile requirements within the 2009-2010 Invitation for Bid. Moving these dates later into the season was deemed potentially problematic for the participants, as this past season Illinois waterways froze earlier than normal (making river transport difficult). Additionally, an abnormally high number of snow/ice events occurred throughout December and January.

Bidder’s Conference – CMS did hold a Pre-Bid Conference on May 7, 2009 for the 2009-2010 Invitation for Bid. During this conference, the many changes to the bid were highlighted for the participating vendors.

Bid and Performance Bonds – CMS did consider both expanding the performance bond requirement, and whether a bid bond should be required.

In interests of seeking to drive a higher level of competition and encourage more vendor participation, it was decided to not require a bid bond nor to change the performance bond requirement at this time.

Delivery Requirements – In the 2009-2010 Invitation for Bid delivery requirements were redefined to be measured in work days (previously calendar days), with the State holiday schedule being utilized. Changes to hours of delivery cannot be practically dictated due to the high number (several hundred) local participants involved in the State’s procurement efforts for bulk road salt. Not all participants are able or willing to expand windows of delivery availability.

Liquidated Damages – CMS reviewed liquidated damages requirements and revised them to reflect work days rather than calendar days. Changes were not made to increase damage assessment values, believing that doing so would negatively impact

vendor participation and likely increase offered pricing.

Multi-Year Contracts – The 2009-2010 Invitation for Bid contains an option for a 1-year renewal at the exclusive option of the State of Illinois.

Fuel Adjustment Clauses - The 2009-2010 Invitation for Bid does not include a fuel adjustment clause. In considering this potential change and in reviewing other states' clauses in this area, it was determined that the extremely high number of entities participating in the road salt procurements conducted by CMS make a location specific adjustment difficult to administer with resource constraints. Nearly 700 governmental entities are participating in the 2009-2010 procurement efforts of the State of Illinois for bulk road salt, with many more delivery locations represented. As each delivery point is fulfilled from a vendor stockpile location, the impact of fuel by delivery point is difficult to measure. This potentially poses an obstacle in evaluation of vendor offers as well as different vendors would have differing pricing components related to distance and fuel utilization. CMS is open to a discussion of alternate ideas of how this might be implemented and administered for future bid efforts.

Establishing Delivery Points with Optional Pick-up for Local Governmental Units or Bidding Transportation Separately - CMS considered avenues for local governmental units to pick-up supply from general delivery points in formulating the 2009-2010 Invitation for Bid. Discussions were held with representatives within both Lake and McHenry Counties in this regard. CMS decided to not pursue the alternative of general delivery points at this time – as the logistics of managing independent stockpiles are not presently in place and would require a degree of local cooperation outside of the State's involvement and control.

Bidding transportation separately was also considered and discussed, and in the interests of getting the 2009-2010 Invitation for Bid out, the decision was made to not include that within that effort. This area is continuing to be considered for future bid efforts.

Summary –

CMS made significant changes to the 2009-2010 Invitation for Bid, and others continue to be considered for future bid efforts. The nuances of the salt market do change from season to season, requiring a dynamic approach each year.

While the 2009-2010 bid process is underway, and specific comment relating to an open procurement is not appropriate, it appears that these changes have had a significant and favorable impact on the 2009-2010 bid effort.

COMMUNICATION WITH LOCAL GOVERNMENT PARTICIPANTS

<p align="center">RECOMMENDATION</p> <p align="center">8</p>	<p><i>CMS should:</i></p> <ul style="list-style-type: none"> • <i>Provide full detailed terms and conditions of the Invitation for Bid when surveying locals for participation;</i> • <i>Confirm participant requests and non-participation with local governments</i> • <i>Provide accurate information in memos and not change terms after notification; and</i> • <i>Give local government participants adequate time to make informed decisions.</i>
<p align="center">DEPARTMENT OF CENTRAL MANAGEMENT SERVICES RESPONSE</p>	<p>CMS agrees with the recommendation, with limited exception and with the following clarifications.</p> <p><i>Provide full detailed terms and conditions of the Invitation for Bid when surveying locals for participation</i> We have historically provided summary information related to terms and conditions as part of the survey process. The information returned to us as a result of the survey process is instrumental and is utilized in defining the detailed terms to be included within the Invitation for Bid. As one example, quantities desired and geographic delivery locations need to be fully understood to define any possible aggregation of delivery points for purposes of defining “Method of Award” within the Invitation for Bid.</p> <p>CMS greatly expanded the information provided to participants through the requisitioning process for the 2009-2010 season, providing retrospective information on the 2008-2009 process, an explanation of the procurement process including changes from 2008-2009, anticipated terms for the 2009-2010 season, and an explanation of the opt-in nature of the process as a whole.</p> <p><i>Confirm participant requests and non-participation with local governments</i> We agree that this is a desirable practice, and we are continuing to explore avenues to accomplish it on a consistent basis.</p> <p><i>Provide accurate information in memos and not change terms after notification</i> We agree that providing accurate and firm information provides for the best relationships.</p> <p><i>Give local government participants adequate time to make informed decisions.</i> CMS did impose shortened timelines on local entities as part of the second solicitation and the emergency procurement. In these cases,</p>

	vendors had imposed timelines for acceptance upon CMS, which, if not met, would have allowed the offer to be withdrawn.
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