

Midwestern States Salt Contracts Review:

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Introduction:

The salt contracts for each of the following states was reviewed:

- Minnesota
- Wisconsin
- Indiana
- Missouri
- Nebraska
- Kansas

These reviews were then itemizing into six different categories. These categories are:

- Specifications
- Specification Deductions
- Delivery
- Delivery Deductions
- Contractual Issues
- Payments

For each states' representing contract, the information given about each category is stated. In certain cases, no information is given about a certain category.

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Minnesota Salt Contract Review:

Specifications:

- Salt specifications follow ASTM D632 standards.
- Grading should follow ASTM Type I, Grade I standard.
- Moisture content should contain no more than 1.5% moisture content.
- State reserves right to inspect salt and vendors storage site.

Specification Deductions:

- For each 0.1 percentage point deficiency in the salt concentration a 5% deduction of the contract price will be deducted unless the concentration is less than 85% at which point the salt will be rejected and the vendor will produce new salt at no additional cost.
- For each percentage point out of gradation specifications a 1% deduction will be made from contract price.
- For unsatisfactory conditioned salt, an appropriate deduction will be made.
- For salt containing 1.6-2% moisture content, a 5% deduction will be made from contract price. An additional 3% deduction will be made for each 0.1 percent after that.
- If vendor delivers 7 or more loads with moisture content greater than 2.5% the state may terminate the contract with the vendor.

Delivery:

- Fuel surcharges will only be allowed if the price per gallon of diesel increase more than 20% from fuel prices posted.
- All orders received before Nov. 1st must be delivered within 12 working days, if ordered after Nov. 1st, must be delivered within 3 days for metro area, 5 days for non-metro area.
- Vendor must give state minimum of 14 hours notice before delivery and deliveries must be made within normal business hours (8 am. – 3:30 pm.).
- All deliveries must be signed by representative from state.
- Vendors must confirm delivery when order is received.

- Vendor shall have one representative available during shipments to act as authority figure.

Delivery Deductions:

- Vendor must cover delivery trucks or be subject to a 20% deduction of price for load shipped.
- If vendor does not use conveyor loading a deduction of 10% will be made from contract price.
- If vendor is unable to make delivery within the specified dates, they are subject to deductions of 40 cents per ton per day continued on for as long as it takes for delivery to be made.

Contractual Issues:

- State and vendor can mutually agree to extend contract up to 12 months.
- Contract will be awarded to lowest bidder and state has right to award to multiple bidders.
- All prices expect for transportation rates are guaranteed against increase.
- Bid quantities are estimates and may be either increased or decreased.
- State guarantees to purchase 80% of estimate while vendor has to be able to produce 120%.
- If so desired, vendor will store salt at its main depot.

Payments:

- On quarterly basis, vendor will refund the state 0.25% of total sales to encompass contract administration.

Wisconsin Salt Contract Review:

Specifications:

- Mixture must be at least 95% sodium chloride and must have a moisture content less than 2%.
- The product should conform to ASTM D-632 standards.
- The department reserves the right to test material prior to awarding a contract. The results are final.
- All rejected material remains property of vendor and must be picked up within three business days.

Specification Deductions:

- 25% of costs per load may be deducted if moisture content exceeds 2% and if the salt does not meet chemical and physical specifications.

Delivery:

- Early fill salt is expected to be delivered by direct transfer from a ship, barge or railcar.
- Delivery is not to come from a stockpile and is guaranteed to purchased. Delivery dates are at the discretion of the vendor but must be agreed upon by the purchaser.
- Seasonal fill and vendor reserve may be delivered from a stockpile and also a ship, barge or railcar. Delivery dates again are at vendors discretion. Seasonal fill is guaranteed to purchased, however purchaser is not required to buy vendor reserve.
- All deliveries must be made using end dump trucks or trailers that can enter into a building 10 feet wide and 12 feet high.
- Each delivery vehicle must have a water proof covering.
- All deliveries must be made within the hours of 7:30 am to 3:00 pm excluding weekends and holidays
- Deliveries must average three trucks per hour with not more than a 90 delay between two deliveries.
- All deliveries must be documented by a delivery ticket with the following information:
 - Name of trucking company
 - The gross, tare and net weights of delivered load
 - Date of delivery

- Signature of load weigher
- Use of other loading equipment must be noted on ticket.
- Purchaser may request less restrictive delivery requirements.
- Invoices must include number for each delivery ticket, number of tons for each load, name of trucking company and acknowledgment if any use of unloading equipment.

Delivery Deductions:

- 25% of costs per load may be deducted if the load arrives uncovered or if the load is unload outside of delivery hours.
- A 200\$ deduction from the total price will be deducted is the unloading rate is not maintained.

Contractual Issues:

- Contract renewals are mutual and can be agreed upon for either another one of two years.
- Either party can terminate contracts if a bankruptcy petition is filled against the contractor.
- The vendor data sheet must be completed in detail and included in the bid. Incomplete form may result in bid rejection.
- Bidders must submit prices for unit price of ton and delivery points within each county when bid is made.
- Contract will be awarded to lowest unit price bidder. However, department reserves the right to reject any bids.
- If vendor specifies only a certain amount of tons, and the department request exceeds that amount, the department is only liable to purchase the vendors specified amount.
- Mobilization costs will not be factored in determining the lowest bidder.
- The department reserves the right to verify any quantities delivered.
- Purchaser must provide vendor with all of the information regarding deliveries.
- Contract administration will require copies of any written documents to resolve disputes between two parties.
- Invoices must include number for each delivery ticket, number of tons for each load, name of trucking company and acknowledgment if any use of unloading equipment.

Payments:

- A 20 % performance bond of the total bid must be provided to the department. The department will use this bond to recover any costs assumed in resolving any matters regarding the vendors.
- Payment will not be received for unsigned tickets.
- If the tare weight plus net weight exceeds statutory weight, payment will not be made.
- If purchaser does not conform to contract details, vendor may request recovery costs.
- Payment is made by department within 30 days after receiving proper invoices and will not be made on unsigned ticket loads.

Indiana Salt Contract Review:

Specifications:

- Sodium chloride requirements set by AASHOT M143 standards.
- Moisture content must not exceed 2%.
- Sampling is laid out according to the INDOT manual, primarily the rapid test method.
- Delivered samples will be inspected at time of delivery and analysis should pass INDOT manual specifications.
- Weights may be checked randomly at no additional costs to INDOT.

Specification Deductions:

- Any material delivered with lumps or water shall be rejected. If it is already dumped, then vendor must remove sample within 48 hours. Failure to do so will result in \$10 deduction per ton per day.
- A deduction of \$1 per ton will be made for each percentage point between 90- 94 that the sodium chloride does not meet the required concentration. The rate doubles for each percentage point between 85-89. If the concentration is less than 84.5 %, a flat rate of \$4 per ton will be paid for the salt.
- If the moisture content exceeds the 2% limit, the price paid for will be the gross weight minus twice the weight of the excess moisture.
- Deductions for gradation requirement failures are laid out by percentages off and sieve size.

Delivery:

- Delivery trucks should be covered with waterproof tarps.
- Delivery tickets should include gross, tare and net weights, location of stockpile and point of delivery.
- Loading designates unloading salt in designated storage facilities and be done directly from the truck to the site and not be placed on the ground.
- If salt is unloaded improperly into storage facility, vendor will be responsible to unload and or remove the salt.
- Delivery tickets must be marked by the department as:
 - Loaded
 - Delivered

- Delivered – no deduction
- INDOT pile
- Dedicates stockpiles of salt will be located on the vendor property or terminal. Delivery of this salt can either be done by the vendor or INDOT. If INDOT picks up salt, a different rate will be charged.

Delivery Deductions:

- Delivery must be done within seven business days of order and during normal business hours (7:30 am – 3:30 pm). Failure to do so will result in a \$200 deduction.
- Early storage requirements must be delivered by the given deadline. For each day that delivery is not complete after the deadline will result in a \$200 deduction.
- Failure to load salt in the designated storage facilities will result in a deduction from the delivery and loading price bid.

Contractual Issues:

- INDOT guarantees to purchase 80 % of total estimated tonnage while the vendor must be able to produce 150 % of estimated tonnage.
- INDOT shall receive invoices each month itemizing the months activities from the vendor.
- On bidding sheets, three prices are required, one for delivery (per ton), another for loading (per ton) and one for both delivery and loading.
- Vendor will be responsible for any damage done to salt shed facilities.
- The dedicated stockpile is part of the 80% purchase guarantee.
- The total tonnage figure represents a one time quantity and can no be changed
- If vendor is unable to meet any of the INDOT requirements, INDOT may purchase material from another vendor or cancel the agreement at which time the vendor must reimburse INDOT for any expenses incurred.
- Contract will be awarded to lowest bidder based on delivered price per ton.

Payments:

- No payments made for deliveries without signed delivery ticket from INDOT representative.
- A fee will be paid by INDOT for the maintenance for the dedicated stockpile.

- A bid bond in the amount of \$25,000 will be required with all bids and will be held by INDOT for liquidated damages that occur if bid is withdrawn before award is made.
- A performance bond of 50% of the awarded amount of the contract will replace the bid bond and time of contract award.

Missouri Salt Contract Review:

Specifications:

- Salt composition must follow MoDOT Test Method T32.
- Salt concentration must be at least 95% NaCl.
- Gradation requirements follow ASTM D632 standards.
- Moisture content shall not exceed 2%.
- Acceptance of material depends upon satisfactory compliance of salt.

Specification & Delivery Deductions:

- Requirements that are not met will result for a rejection of payment at specified salt rate.

Delivery:

- Salt must be delivered in bulk lots.
- Supplier should provide delivery tickets with the following information
 - Consignee
 - Destination
 - Type of material
 - Purchase order number
 - Truck number
 - Date loaded
 - Name of source
 - Certification statement

Contractual Issues:

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Payments:

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Nebraska Salt Contract Review:

Specifications:

- Salt specifications follow ASTM D632 requirements.
- Sampling and testing also done according to ASTM D632 requirements.

Specification Deductions:

- Salt concentration of gradation out of compliance will result in a 20% deduction per ton.
- Salt concentration must be at least 95%. If requirement is not met, contractor will be expected to take action immediately or risk termination of contract.

Delivery:

- Delivery of salt must be made during normal business hours (8am – 4pm).

Delivery Deductions:

- Delivery is to be made 12 working days after order is made. Failure to do so will result in a \$50 deduction per day.

Contractual Issues:

- Bid quantities are estimates. State reserves the right to either increase or decrease amount.
- State and vendor mutually reserve the right to renew contract for either one of two years.
- Contract subject to a 30 day cancellation by either party.

Payments:

- It is the vendors responsibility to provide appropriate delivery tickets. Payment will not be made for unstamped tickets.

Kansas Salt Contract Review:**Specifications:**

- Standard salt specification given by ASTM D-632 standard.
- Caking retardant performed on all rock salt to contain 25 ppm.
- Rock salt will be accepted on the basis of the manufactures certification stating compliance with specifications.

Specification Deductions:

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Delivery:

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Delivery Deductions:

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Contractual Issues:

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Payments:

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