



City of North Royalton

Mayor Robert A. Stefanik

Nick Cinquepalmi

Service Director

Service Department

440-582-3002

fax 440-582-3089

TO: Streets Committee – Cheryl Hannan, Chairman
Larry Antoskiewicz, Vice Chair
John Nickell

FROM: Nick Cinquepalmi, Service Director

DATE: April 19, 2019

RE: 2019-2020 Salt Bid Recommendation

Please find attached letter from Cargill, Inc for a 2nd Year Contract Renewal for Supplying Sodium Chloride for 2019-2020 Winter Season Consortium.

I am recommending the City of North Royalton accept Cargill's bid extension for the 2019-2020 season at the May 21, 2019 Council Meeting.

If there are any questions, do not hesitate to contact me. Thanks.

/aca

Encl.

c: Mayor Robert Stefanik
Laura Haller, Legislative Director
File



9069 Brecksville Road

Brecksville, OH 44141

TO: Tony DiPietro, Cargill Road Safety
FROM: Rebecca Riser, City of Brecksville
DATE: April 16, 2019
RE: Acceptance of Second Year Contract Renewal Terms for 11/1/19 – 10/31/20

On behalf of the Purchasing Consortium for Sodium Chloride, I am providing written confirmation of our acceptance of the agreement terms as presented in your attached letter dated April 9, 2019, for a second year renewal of the existing contracts between the members of the consortium and Cargill Road Safety.

At this time, the (12) member agencies of the consortium will proceed with their specific approval processes, followed by communication with you directly regarding their individual required documents for the second year renewal with Cargill.

Thank you for your assistance with this renewal process, and we look forward to working with you and your team again in the 2019-2020 winter season.

cc: Mayor Jerry N. Hruby

Attachment



Salt, Road Safety
24950 Country Club Blvd, Suite 450
North Olmsted, OH 44070

April 9, 2019

Dear Mrs. Riser,

I am in receipt of your April 2, 2019 correspondence regarding a Second Year Contract Renewal Request of the existing contracts between the Brecksville consortium and Cargill Road Safety (CRS) for the 2019/2020 winter season.

We reviewed your proposal and considered internal factors and external market conditions and Cargill is willing to offer a renewal with the understanding that all members of the consortium will be making their minimum contractually required purchases, under the existing agreements, by December 31, 2019. Our offer is consistent with your correspondence, all terms proposed are accepted by both parties.

- Pricing for 2019/2020 season: \$63.41 per ton untreated
\$76.10 per ton ClearLane®
- Estimated quantities for 2019/2020

○ Beachwood	8,000	Independence	5,000
○ Brecksville	7,500	Lakewood	3,750
○ Broadview Heights	4,200	Middleburg Heights	4,500 ClearLane
○ Brooklyn	2,800	North Royalton	7,000
○ Brooklyn Heights	650	Valley View	1,400
○ Cuyahoga County	400	Berea	1,500 ClearLane
			1,000
TOTAL		47,700 tons	

- In an effort to provide some assistance, for those participants who have not yet reached the 80% minimum requirement, Cargill is willing to defer those purchases until 12/31/19. Orders placed between now and 12/31/19 to reach the minimum requirement from the 2018/2019 contract will be billed at the 2018/2019 prices of \$58.71 per ton untreated salt and \$70.46 for ClearLane® enhanced deicer. Please understand that this offer is merely an effort to assist with the storage issue. Cargill is not waiving the requirement to purchase the remaining tonnage from the 2018/2019 season and expects that tonnage to be purchased.
- If a municipality does not reach its 80% minimum from the 2018/2019 contract by 12/31/19, on 1/1/20 it will receive a monthly storage fee invoice of \$15.00 per ton per month for the remaining tonnage. In addition, the obligation to purchase that remaining tonnage will still be intact. Once that obligation is met, new orders will be billed at the price established for the 2019/2020 season.
- For the 2019/2020 winter season, the same terms and conditions of 80% minimum and 140% maximum and 24-72-hour delivery guarantee as outlined in the contract's original 2018/2019 bid specifications will be intact

Cargill appreciates this partnership with the Brecksville consortium. After you have reviewed this offer please respond back by April 15, 2019. We look forward to working with you again during the next winter season.

Sincerely,

Tony DiPietro

Tony DiPietro
District Manager
Ph: 800-600-7258 x 4712