



**State of Oklahoma, Office of
Management and Enterprise Services
Central Purchasing**

**Notice of Statewide Contract
Award**

Official signed contract documents are on file with Central Purchasing.

Contract Title: Road Salt

Statewide Contract #: SW16615

Contract Issuance Date: 09/03/2015

Total Number of Vendors: 2 (For details see: Individual Vendor Contract Documents)

Contract Period: 09/03/2015 through 09/02/2016

Agreement Period: 09/03/2015 through 09/02/2019

Authorized Users: This Contract shall be made available to all State Departments, Boards, Commissions, Agencies and Institutions. The Oklahoma Statutes also allow Counties, School Districts and Municipalities to use this contract as well as State entities other than the State of Oklahoma if statutes allow for it.

Contract Priority: Mandatory

Type of Contract: Fixed Price-However please see B.18 Fuel Price Adjustment of the terms and conditions within the solicitation documents (attached to this document)

The published base rate of Diesel Fuel posted in the EIA Retail On-Highway Diesel Prices for the Midwest Region of the United States for the current week's posting to be used as the base rate for calculating adjustments to this contract is \$2.443, which was posted on Monday, August 31, 2015.

DCS-CP Contact: Joyce Leivas

Phone: 1 - 405 - 521 - 2479

Title: Contracting & Procurement
Officer

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Email: Joyce.Leivas@omes.ok.gov

B. SPECIAL PROVISIONS

B.1. Type of Contract

- B.1.1.** This will be a mandatory statewide contract that is available to all state agencies. Other government entities may avail themselves of this contract.
- B.1.2.** All state agencies must use the contract for the products specified herein unless the ordering agency has received a written exception from the contracting Officer. The State of Oklahoma reserves the right to conduct separate procurements to establish contracts for the same or similar products for any agency's specific needs.
- B.1.3.** The State of Oklahoma shall not guarantee any minimum or maximum amount under this contract, also known as an indefinite quantity contract.
- B.1.4.** This contract may be awarded to multiple vendors.

B.2. Contract Period

This Contract is for Date of Award through one year with the option to renew for up to three (3) additional one year periods.

B.3. Extension of Contract

The State may extend the term of this contract for up to 90 days if mutually agreed upon by both parties in writing.

B.4. Authorized Users

This Contract shall be made available to all State Departments, Boards, Commissions, Agencies and Institutions. The Oklahoma Statutes also allow Counties, School Districts and Municipalities to use this contract as well as State entities other than the State of Oklahoma if statutes allow for it.

B.5. Gratuities

The right of the successful vendor to perform under this contract may be terminated by written notice if the Contracting Officer determines that the successful vendor, or its agent or another representative offered or gave a gratuity (e.g., an entertainment or gift) to an officer, official or employee of Central Purchasing.

B.6. Travel

No reimbursable travel is contemplated under the terms of this contract.

B.7. Energy Conservation

Oklahoma is an energy conservation State and we welcome any comments on your RFP that would indicate energy savings such as brochures, specifications, and descriptions of equipment that indicate environmentally friendly construction/usage..

B.8. Conflict of Interest

The RFP is subject to the provisions of the Oklahoma Statutes. All Suppliers must disclose the name of any officer, director or agent who is also an employee of the State of Oklahoma or any of its agencies. Further all Suppliers must disclose the name of any State Employee who owns, either directly or indirectly, an interest of five percent (5%) or more in the supplier firm or any of its branches.

B.9. Patents and Royalties

The Supplier without exception, shall indemnify and save harmless the State of Oklahoma and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented or unpatented invention, process, or article manufactured or used in the performance of the contract including its use by the State of Oklahoma. If the Supplier uses any design, device or materials covered by letters, patent or copyright, it is mutually agreed and understood without exception that the RFP prices shall include all royalties or cost arising from the use of such design, device, or materials in any way involved in the work.

B.10. Property loss

The Supplier shall reimburse the government entity for such property loss or damage caused by supplier, its employees or for anyone whose acts the supplier may be liable for.

B.11. Contract Management Fee

- B.11.1.** As provided by State Statute 85.33A, Central Purchasing will assess a Contract Management Fee of 1% of total contract sales to all government entities. Awarded Supplier(s) shall remit payment of the fee on a quarterly basis in conjunction with the quarterly sales report. The fee amount is not to be invoiced to any contract users, either as an item on a sales invoice or by any other means. Delinquency in payment may be considered cause for contract termination.
- B.11.2.** Supplier shall make payment by company check to Central Purchasing Division within 30 days of the completion of the quarterly reporting period. To ensure the payment is credited properly, the Supplier must identify the check as "Contract Management Fee" and include the following information with payment: SW615 Rock Salt. The Contract Management Fee shall be mailed to:

Central Purchasing
2401 N Lincoln Blvd Ste 116
Oklahoma City OK 73105 (subject to change to due Central Purchasing move in Fall of 2015)
Attention: Joyce Leivas

B.12. Contract Usage Reporting Requirements

- B.12.1.** Reports shall provide the total dollar amounts sold to all political entities that include but are not limited to State Agencies, Counties, Cities, Schools, Hospitals, and Municipalities.
- B.12.2.** Reports shall be submitted quarterly regardless of quantity. A standardized form has been developed for Supplier use.
- B.12.3.** If there are no sales reported by the vendor during the contract term, or if the vendor fails to report sales that have been discovered through state purchasing reports, the State reserves the right to terminate the contract.

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and electronically by email to the Contracting Officer within 30 days of completion of each quarterly reporting period.

- B.12.3.1.** January 1 through March 31
- B.12.3.2.** April 1 through June 30
- B.12.3.3.** July 1 through September 30
- B.12.3.4.** October 1 through December 31

B.13. Scope

- B.13.1.1.** The purpose of the Contract is to purchase rock salt and have it delivered to several locations within the state.
- B.13.1.2.** The Oklahoma Department of Transportation provides the specifications for the rock salt.
- B.13.1.3.** The State has an 80,000 square feet salt storage facility in Catoosa, Tulsa County, in Northeast Oklahoma which is the largest storage facility in the state, having a capacity of 50,000 tons of salt. Rock salt is shipped via barge on the Arkansas River Navigational System.
- B.13.1.4.** Field Divisions within the state "buy" from the Catoosa warehouse facility, which is managed by the Oklahoma Department of Transportation Purchasing Division, using internal orders and have the salt shipped to their locations.
- B.13.1.5.** Besides the method of acquiring salt from the Catoosa facility, the field divisions also use the statewide contract for purchase and delivery of rock salt.
- B.13.1.6.** For vendors who provide the rock salt and delivery, pricing includes the rock salt pricing per ton and delivery charges inclusive.
- B.13.2.** This contract may be awarded to multiple vendors due to some vendors not bidding on delivery to all locations and the necessity to provide complete statewide coverage especially in instances of emergency situations when more vendors could be needed.

B.14. Quantities and Quality Control

- B.14.1.** The amounts provided on the Price Schedules are only estimates. With Oklahoma being a state that doesn't have Winter weather every year without exception, it is extremely hard to predict the quantities of salt that will be needed so the State will not guarantee minimum amounts of rock salt to be purchased.
- B.14.2.** Product shall be free from any foreign material at the point of delivery.
- B.14.3.** Residue from truck beds such as coke, grain, coal, gravel, etc., or other materials not germane to sodium chloride may be cause for rejection.
- B.14.4.** Any residue materials used in the production of the product or any oversized materials found in the delivery order may be cause for rejection.
- B.14.5.** Product shall be received in a free-flowing and usable condition.
- B.14.6.** The Vendor must submit a safety data sheet with each delivery if requested by an ODOT District.

- B.14.7.** If requested, the Vendor will provide the State a copy of its Quality Control and Safety Procedures as it relates to product production, handling, transportation and storage. There will be no additional cost to the State if this information is requested.
- B.14.8.** All salt delivered to the various delivery points is subject to final inspection, as delivered, at the discretion of the local agency field personnel.
- B.14.9.** When inspected at the delivery point, the salt shall conform to the product specifications.
- B.14.10.** Any delivered salt that fails to meet specification requirements may be rejected. The vendor must immediately replace unusable salt with a product that conforms to the specifications at no additional cost to the State.

B.15. Insurance

- B.15.1.** Prior to the commencement of this contract, the supplier shall obtain and keep in full force and effect until the termination of this contract, insurance coverage with an insurance company licensed and qualified under the laws of Oklahoma.
- B.15.2.** The supplier shall maintain insurance coverage in an amount not less than \$500,000 at all times during the entire term of this contract. The following types of risks shall be covered in the supplier's policy:
 - B.15.2.1.** Worker's Compensation Insurance and employer's liability insurance sufficient to cover supplier's employees as required by the State of Oklahoma.
 - B.15.2.2.** Comprehensive General Liability Insurance to include Products/Completed Operations, Premises Operations, Personal Injury, Medical Expenses and Fire Damage.
 - B.15.2.3.** Commercial Automobile Insurance, hired and non-owned.
 - B.15.2.4.** Garage keepers Liability Insurance.
 - B.15.2.5.** Commercial Property Coverage.

B.16. Emergency Purchases

In the event that a disaster emergency is declared by Executive Order or that the Oklahoma Department of Transportation determines that an emergency exists requiring the prompt and immediate delivery of products or services, the State reserves the right to obtain such products or services from any source, including but not limited to this contract, as the State determines will meet the needs of such emergency. Contractor shall not be entitled to any claim or lost profits for products or services procured from other sources pursuant to this paragraph.

B.17. Product Prices

- B.17.1.** All prices listed are firm for the initial first year of the Contract. Thereafter product price increases may be allowed at the renewal of each contract period with the approval of the Central Purchasing Office. The price includes the cost of the product specified and all associated delivery costs. Documentation of price increases shall accompany renewal request responses.
- B.17.2.** At no time should the ordering entity pay more than the Contract price.

B.18. Fuel Price Adjustment

All prices offered herein are guaranteed against increase for the initial Contract period except increases which are based upon transportation rate increases. It is mutually understood and agreed that transportation rates or charges include charges for transportation by barge and/or rail and/or truck. Any increase or decrease in these transportation rates or charges occurring after the date of the contract award incurred by the awarded Vendor shall be applied provided that no change in the unit price for the product will be made.

- B.18.1.** Fuel Price adjustments will be made for deliveries of treated salt during the contract period. Deliveries made after the contract award date will use the fuel price adjustment in effect for the day the contract award is made.
- B.18.2.** Additional amount may be added to contract pricing based on prices posted in the "EIA Retail On-Highway Diesel Prices". The Midwest Region shall be the designated posting for the adjustments. (If this source becomes unavailable, unworkable, unsuitable, then another source may be selected by Central Purchasing). <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp>.
- B.18.3.** Central Purchasing will compute additional amount based on the difference between the "base" rate in effect on the date of the contract award and the price of diesel fuel as reported for the Midwest Region by the US Department of Energy's weekly "EIA Retail On-Highway Diesel Prices" on each Monday. If there is no posting on Monday, the next day's published posting will be used for the adjustment.
- B.18.4.** The base rate used for calculating adjustments shall be the rate shown in the referenced EIA on the date of the contract award. Adjustments will be permitted weekly. Adjustments will be rounded to two decimal places to the nearest cent.

B.18.5. If the published rate goes below the published rate in effect on the date of the contract award, there shall be no deduction, no price reduction.

B.18.6. Example:

Published rate on date of contract award: \$4.869

A date past the award date posting: \$4.910

$\$4.91 - \$4.87 = \$0.04$ = Additional amount allowed to be added to price per ton.

B.18.7. The price adjustments will be calculated using the current week's posting for the following week.

B.18.8. Should postings differ from current description and/or format, a posting determined by Central Purchasing to be most reflective of market conditions will be used. Corrections to posted prices will be considered only when caused by a typographical or clerical error on the part of said posting.

B.18.9. The following shall apply to all additional price amounts under any contract awarded:

B.18.9.1. Price adjustments are limited to changes in the "EIA Retail On-Highway Diesel Prices". as noted above. Increases in contract costs or prices to compensate for other increases in the cost of doing business, regardless of the cause or nature of such costs of the contractor, will not be allowed during the contract period, except as indicated under the fuel price adjustment and price escalation clause herein.

B.18.10. Should the price structure utilized by the parties become unworkable for the State, or result in prices which are not reflective of current market conditions and the price is deemed unreasonable or excessive by Central Purchasing, and no adjustment in price is mutually agreeable, Central Purchasing reserves the sole right to, upon 30 days written notice, to terminate any contract resulting from this solicitation. If the vendor is unable or unwilling to meet the requirements of the contract, whether in whole or in part, they shall immediately notify Central Purchasing in order that appropriate action can be taken. Such notification shall be in writing and shall be directed to Central Purchasing. Such notification shall not relieve the vendor of responsibilities under the contract during the 30 day period.

B.18.11. In the event of an extension, the base rate for calculating adjustments will be the rate shown in the referenced EIA one year after the contract award date and for subsequent years additional extensions would follow this format. If the date is not a business date when the posting occurs, the next business day will be the date used for the adjustment.

B.19. Delivery

B.19.1. All deliveries must be FOB Destination of the ordering party.

B.19.2. The Contract Vendor must use a carrier that meets all federal and State laws as required by the appropriate transportation authority.

B.19.3. In the event that ODOT desires to pick up an order, the purchasing entity will be responsible for coordinating the time and place for pick up from the Vendor. The cost of the product will be adjusted to reduce the total delivered price by the cost of delivery to the purchaser.

B.19.4. For the purpose of determining day one of an order, the following day after the day the order is made will be considered as the first working day of that order.

Day Order Received	First Working Day
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday
Friday	Monday

B.20. Barge Delivery

Trucking Suppliers will be notified with a minimum of three (3) week notice that a barge has been scheduled. The Oklahoma Department of Transportation has a separate contract with the company that actually unloads the barge and delivers the salt to the large salt shed located in Catoosa, near the Port of Catoosa, in Tulsa County. The vendor who is awarded the barge salt purchase and delivery is only responsible for the delivery of the salt to the port.

B.21. PAYMENT

- B.21.1.** The Vendor will be required to submit invoices that have single line billing – the combined cost of the salt and the cost for delivery. As quoted in the vendor's response unless an adjustment is made for an increase or decrease in the diesel fuel rate. In no event, including a change in transportation charges, will the total price submitted on an invoice for payment exceed the price offered by the Vendor. Delay in paying an invoice due to pricing errors by the Vendor will not require an agency to pay an interest charge for late payments.
- B.21.2.** Any credits or debits for fuel surcharges, late deliveries, etc., must be detailed and clearly shown on the invoice as a credit or debit, whichever is applicable, as a separate line item.
- B.21.3.** To ensure prompt payment, the invoice shall include the following information:
 - B.21.3.1.** Purchase order number if applicable.
 - B.21.3.2.** Name of government entity.
 - B.21.3.3.** Description of supplies provided.
 - B.21.3.4.** Name of company who provided the products/services.
 - B.21.3.5.** Payment remittance address.
- B.21.4.** Payment made by government agencies will be made by the procurement card that is issued by the State or Purchase Orders. Other entities may use Purchase Orders or Procurement cards.
- B.21.5.** Each Vendor who is awarded a contract as a result of this Solicitation shall be the only office authorized to receive orders, invoice and receive payment. If the Vendor wishes to ship or provide a service from a point other than the address listed on the solicitation documents, they will furnish a list of these locations as part of their response.
- B.21.6.** Prompt payment discounts will not be considered in the evaluation of offers. However, any discount offered will be annotated on the award and may be taken if payment is made within the discount period.
- B.21.7.** Late payments made by Government entities who sell to State Agencies are addressed in the Prompt Payment Rules published by the Oklahoma Office of State Finance, derived from Titles 62, Section 41.4a and 4b and 74, Section 840.14. The new interest rates are published on the Office of State Finance website.