

STATEWIDE CONTRACT #2
SWC # 503
Edison # 37574

Department of General Services
Central Procurement Office
(CPO)

VENDOR:
Smith Fertilizer & Grain
Company, Inc.



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

BILL HASLAM
GOVERNOR

ROBERT E. OGLESBY, AIA
COMMISSIONER

MEMORANDUM

TO: Fiscal Review Committee
FROM: Brandon Silby, Category Specialist
DATE: October 6, 2014
SUBJECT: Price Increase Request

Statewide Contract #37574 for beet juice as used by TDOT. This statewide contract has sixty-six (66) Edison contracts associated with it as follows:

37516 Aggregates USA LLC
37518 Apac Atlantic Inc
37519 Midsouth Paving
37520 Apac Tennessee Inc
37521 Arrow Paving Company Inc
37522 B T Redi-Mix Inc
37523 Bean Station Materials Inc
37524 Blalock Lumber Company
37525 Camden Gravel Co
37526 Charles Blalock & Sons Inc
37527 Choctaw Transportation Co
37528 Claiborne Hauling LLC
37529 Cookeville Limestone LLC
37530 Delta Contracting Company
37531 Dunlap Stone Inc
37532 Duracap Asphalt Paving Co
37533 Eubank Paving (Mike Eubank)
37534 Forcum Lannom Inc
37535 Ford Construction Company
37536 Fullen Dock & Warehouse
37537 General Atomics International
37538 Graves and Graves Construction
37539 Highways Inc
37540 Hinkle Contracting Co, LLC
37541 Hma Products LLC

CENTRAL PROCUREMENT OFFICE

312 ROSA L. PARKS AVENUE, 3RD FLOOR • NASHVILLE, TENNESSEE 37243
(615) 741-1035 • FAX: (615) 741-0684 • WWW.TN.GOV/GENERSERV/

37542 Hoover Inc
37543 Hudson Emulsion
37544 J R Hayes Constr Co
37545 Lehman-Roberts Company
37546 Lhoist North America of TN
37547 Lincoln Paving
37548 Livingston Limestone Co
37549 Lojac Enterprises Inc
37554 Loyston Road Quarry Inc
37555 Magic Salt of KY
37556 Martin Paving Company Inc
37557 Maymead Materials Inc
37558 McAsphalt LLC
37559 McIntosh Construction Co LLC
37560 Metro Ready Mix Concrete LLC
37561 Mid South Construction
37562 Mid South Stone Inc
37563 Mid South Suppliers, LLC
37565 Middle Tennessee Limestone
37566 Newport Paving & Ready Mix
37567 Quikrete Companies Inc
37568 Reostone LLC
37570 Riverfront Limestone LLC
37571 Rogers Group Inc
37572 Seaboard Asphalt Products
37573 Sicalco Ltd
37574 Smith Fertilizer & Grain Co*
37575 SNI Solutions Inc
37576 South Eastern Rd Treatment
37577 Standard Construction Co
37578 Superior Drainage Products
38504 Summers-Taylor Inc
37579 Talley Construction Co Inc
37580 Tinsley Asphalt LLC
37581 Transit Mix Concrete Co
37584 Tri County Stone Co Inc
37586 Volunteer Bridge Const
37587 Vulcan Construction Materials
37588 Wayne County Rock Inc
37590 Webb Trucking (Harvey Webb)
37591 Wright Paving Contractors Inc

This particular price increase request is for one line item on contract 37574 for beet juice as noted by the asterisk above.

SWC#503 – Road Maintenance Service & Materials – Edison #37574

Contract Start Date: 7/1/2013
System Expiration Date: 6/30/2015
Original Number of Renewals: 2
Renewals Remaining: 1
Competitively Procured: Yes
of Invitations Sent: 329
of Responses Received: 66
Requested Action: Price Increase
Vendor Name and Location:
Smith Fertilizer Group
1650 Quebec St.
Knoxville, IA 50138

Main User Agencies: TDOT, Military, TDEC
Estimated Annual Volume: \$8,112,000.00
Spend to Date: \$11,668,901.13 for SWC 503, \$0.00 for Contract 37574 (7/1/2013-9/15/2014)
Original Estimated Annual Cost Savings (if any): No Savings Projected

Background: This contract supplies state agencies with beet juice in Region 1 (Eastern TN) to assist with winter road conditions and to help melt snow and ice. This contract is one of sixty-six contracts for SWC503 Road Maintenance Service & Materials, which supplies asphalt, concrete, sand, crushed stone, and winter road maintenance supplies to agencies and local governments.

Note: The ITB for this awarded contract allows a price increase review after 12 months. This is the \$0.05/gallon price increase request made by the vendor for this contract. The CPO conducted a thorough analysis of this request and found it to be based on supplier increases in the broader market place. Price Increase for Contract #37574 only. This statewide contract has 66 total contracts and vendors, but 37574 is the only one with a price increase.

Contract Line Items: (DO NOT INCLUDE PRICES or UOM)

Type ID	Description
1000158474	De-icer, liquid, Region 1, Derived from de-sugared sugar beets with a -5 degrees F., Brand/Model: Beet 55

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Brandon Silby	*Contact Phone:	615-532-2440		
*Presenter's name(s):	Shay Oliphant/Brandon Silby				
Edison Contract Number: <i>(if applicable)</i>	SWC 503, Edison contract #37574	RFS Number: <i>(if applicable)</i>			
*Original or Proposed Contract Begin Date:	7/1/2013	*Current or Proposed End Date:	6/30/2015		
Current Request Amendment Number: <i>(if applicable)</i>					
Proposed Amendment Effective Date: <i>(if applicable)</i>	01/01/2015				
*Department Submitting:	Department of General Services				
*Division:	Central Procurement Office				
*Date Submitted:	10/6/2014				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Smith Fertilizer Group				
*Current or Proposed Maximum Liability:	NA, Statewide Contract #503				
*Estimated Total Spend for Commodities:	\$8,112,000.00				
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY:	FY:	FY:	FY:	FY	FY
\$NA	\$NA	\$NA	\$NA	\$NA	\$NA
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY:2014	FY:2015	FY:	FY:	FY	FY
\$0.00	\$0.00	\$	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			Statewide contract with no liability.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			NA		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			NA		

Supplemental Documentation Required for
Fiscal Review Committee

*Contract Funding Source/Amount:			
State:	NA	Federal:	NA
<i>Interdepartmental:</i>	NA	<i>Other:</i>	
If "other" please define:			
If "interdepartmental" please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
None			
Method of Original Award: <i>(if applicable)</i>		ITB	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$8,112,000.00. Based on previous statewide contract spend amounts.	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		NA	

Line 1

Item ID: 1000158474

De-icer, liquid, Region 1, Derived from de-sugared sugar beets with a -5 degrees F., Brand/Model: Beet 55

Unit of Measure: GA

Vendor Item/Part #: SMITH FERTILIZER-1

Manufacturer Item #:

Unit Price: \$ 1.41

APPROVED: Michael J. Roy BY: Ben Sitt 6/4/14
CHIEF PROCUREMENT OFFICER PURCHASING AGENT DATE



ROAD MAINTENANCE

Smith Fertilizer & Grain Company, Inc.
1650 Quebec Street, Knoxville, IA 50138

July 2, 2014

Tennessee Department of General Services
ATTN: Crystal Lysinger, Central Procurement Office
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102

RE: Contract 37574, SWC 503, Road Mtce Materials

Crystal:

We would like to respectfully request that the above-referenced contract be renewed and a price increase be approved as well.

Our cost has increased by \$10/ton as evidenced by the email received from Tim Klovstad at Midwest Agri Commodities on May 2, 2014. This translates to a \$0.06 per gallon increase. Therefore, the proposed pricing for Region 1 for the 2014-2015 season would be \$1.47/gallon instead of the \$1.41/gallon price that was awarded last season.

Thank you for your consideration and we sincerely look forward to servicing your deicing needs next season and beyond.

A handwritten signature in black ink that reads 'Max Smith'. The signature is written in a cursive, flowing style.

Max Smith
President

2014 JUL -8 AM 11:04
CENTRAL SERVICES
CENTRAL PROCUREMENT OFFICE

Gina Beal

From: Tim Klovstad [Tklovsta@mwagri.com]
Sent: Friday, May 02, 2014 10:46 AM
To: Gina Beal
Subject: 2014 / 2015 Pricing

Gina,

Pricing for 2014 / 2015 will increase \$10 from last years price.

Regards,

Tim Klovstad
National sales manager
Midwest Agri Commodities

2014 JUL -8 AM 11:04
GENERAL SERVICES
CENTRAL PROCUREMENT OFFICE