

# E Environment Committee

Meeting date: July 24, 2007

Metropolitan Council Meeting August 8, 2007

## ADVISORY INFORMATION

**Date:** July 17, 2007

**Subject:** Award of and Authorization to Execute Contract 06P082B with SKB Environmental, Inc. for Transport and Disposal of Alkaline Stabilized Material

**District(s), Member(s):** All

**Policy/Legal Reference:** Policy 3-3 – Expenditures.

**Staff Prepared/Presented:** Richard Halsted, 602-1038

**Division/Department:** MCES c/o William G. Moore, 602-1162

### Proposed Action/Motion

That the Metropolitan Council award and authorize its Regional Administrator to execute Contract 06P082B with SKB Environmental, Inc. for transport and disposal of alkaline stabilized material in an amount not to exceed \$404,000.

### Issues

- Council approval is required for procurements of goods or services valued at more than \$250,000.
- Place the hauling and disposal of alkaline stabilized material on an as-needed competitive bid basis rather than emergency declaration.

### Overview and Funding

Sludge at Metro Plant is normally disposed of by incineration. If problems arise with the incineration process and its capacity is reduced, there must be a back up method to dispose of the excess sludge as Metro has relatively little sludge storage capacity.

This back-up sludge disposal process is the alkaline stabilization process which treats the sludge so it can be disposed of directly into a landfill. Up till now the hauling and disposal of alkaline stabilized material has been done by using emergency declarations since the need is unpredictable. A competitively bid contract on an as-needed basis is considered a better basis for acquiring these services when and if they are needed.

Bids were requested to transport and landfill on an as-needed basis up to 600 tons per day of alkaline stabilized material over a two-year period on 48 hours notice. No bids were received. The specification was revised to address bidder concerns and re-bid. Only one bid, from SKB Environmental, Incorporated, was received.

The recommended contract has a unit price of \$39.80 per ton of alkaline stabilized material, and \$80.00 per hour for demurrage charges, if incurred, resulting in total bid of \$404,000, if 10,000 tons are hauled and 75 hours of demurrage charges incurred. It is not possible to predict how much alkaline stabilized material, if any, will be transported over the next two years. The contract does contain a provision guarantying the hauling and disposal of at least 500 tons of alkaline stabilized material.

Funds are available through the annual operating budget.