



Environment Committee

Item: 2012-110

For the Metropolitan Council meeting of April 11, 2012

ADVISORY INFORMATION

Date Prepared: March 28, 2012

Subject: Authorization to Purchase Nitrate Salts and Odor Control Related Services

Proposed Action:

That the Metropolitan Council authorize the regional Administrator to execute a purchase order with Siemens, Inc. for a total "Not to Exceed" amount \$6,000,000 to provide Nitrate Salts and Odor Control Related Services for a contract period of two years with the option to extend for one additional one year period.

Summary of Committee Discussion / Questions:

In response to questions from Council members, staff provided the following information:

Nitrate salts come in liquid form, are delivered by tanker and injected by pump;

They are not manufactured in Minnesota;

A number of products have been tried in addition to nitrate salts. Some are very corrosive and dangerous to handle, especially in residential areas. Nitrate salts have proved to be the safest, most effective option;

The cost includes supplying the product, frequent monitoring and evaluation of performance.

Motion to approve proposed action was made, seconded, and passed unanimously.

E Environment Committee
Meeting date: March 27, 2012,
For the Council Meeting of April 11, 2012

ADVISORY INFORMATION	
Date:	March 21, 2012
Subject:	Authorization to Purchase Nitrate Salts and Odor Control Related Services
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-3 Expenditures - Procurement of Goods and Services Over \$250,000
Staff Prepared/Presented:	Micky Gutzmann 651-602-1741; Bill Moeller 651-602-4504
Division/Department:	MCES c/o William G. Moore 651-602-1162

Proposed Action

That the Metropolitan Council authorize the regional Administrator to execute a purchase order with Siemens, Inc. for a total "Not to Exceed" amount \$6,000,000 to provide Nitrate Salts and Odor Control Related Services for a contract period of two years with the option to extend for one additional one year period.

Background

Chemicals containing nitrate salts, typically in the form of sodium nitrate or calcium nitrate, can be added to wastewater to control odors and corrosion by providing an oxygen source to inhibit anaerobic activity and the formation of odorous compounds such as hydrogen sulfide.

These goods and services have been used effectively by the Metropolitan Council for cost effective odor and corrosion control throughout the gravity and forcemain sewers and lift stations in the Interceptor System.

A formal, advertised Invitation for Bids was issued February 14, 2012. There were two plan holders of record. One bid from Siemens was received on March 13, 2012. The unit price bid for the Nitrate Salts and Odor Control related Services was \$0.6571 per pound of Nitrate Oxygen (NO₃-O). The current bid from Siemens is 2% higher in a unit cost basis compared to the low bid received in 2009.

As only one bid was received, Council Procurement staff contacted the other plan holder of record Hawkins, Inc. to inquire why they did not submit a bid. Hawkins responded that the capital expenditures for pump equipment used at the dosing sites and personnel commitment to monitor the dosing sites required by the IFB were too great for them to submit a competitive bid.

Procurement staff also sent the advertisement for the solicitation to the following chemical suppliers:

C & S Chemicals	DPC Industries	Harcros Chemicals
K. A. Steel Chemicals	PVS Technologies	General Chemical

The last two times bids were solicited for Nitrate Salts there were two bids received. In 2006 Altivia Corporation submitted a bid along with Siemens. Since that time Siemens purchased the Nitrate Salts portion of Altivia's business eliminating one source of competition. In 2009

Hawkins submitted a bid along with Siemens. The bid was 27% higher than the bid submitted by Siemens. Hawkins did not bid this time for the reasons specified above.

Rationale

Contracts with an amount exceeding \$250,000 require Metropolitan Council authorization.

Funding

The purchase order will be for a period of two years with an option to extend for one additional one year period. Expenditures for this service are variable, depending on need. Estimated expenditure for this procurement is approximately \$2,000,000 annually or about \$6,000,000 for the three-year period. Funds are available through the Interceptor Services annual operating budget.

Known Support / Opposition

There is no opposition to this item.