

**E Environment Committee**  
**For the Metropolitan Council meeting of June 24, 2009**

**ADVISORY INFORMATION**

Date Prepared: June 10, 2009

Subject: Authorization to Award and Execute Construction Contract for Blue Lake WWTP Phase 1 Liquids Improvements, Project No. 801830, Contract No. 08P035

**Proposed Action:**

That the Metropolitan Council authorizes its Regional Administrator to award and execute a construction contract for the Blue Lake WWTP Phase 1 Liquids Improvements Project No. 801830, Contract No. 08P035, to Knutson Construction Services for their low bid of \$43,051,000.

**Summary of Committee Discussion / Questions:**

Council Member Leppik asked if this project will expand the capacity of the plant. Staff responded that this is a rehabilitation project and does not increase plant capacity. Council Member Wulff asked whether energy savings will be realized. Staff explained that sustainable design was used for energy savings. In addition, replacement of motors, HVAC units and addition of roof insulation will provide energy savings. The most dramatic savings will be realized from the solids project that will be brought to the committee in the next month.

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

**E** Environment Committee  
 Meeting date: June 9, 2009

For the Metropolitan Council Meeting of June 10, 2009

ADVISORY INFORMATION	
<b>Date:</b>	May 27, 2009
<b>Subject:</b>	Authorization to Award and Execute Construction Contract for Blue Lake WWTP Phase 1 Liquids Improvements, Project No. 801830, Contract No. 08P035
<b>District(s), Member(s):</b>	District #1, Roger Scherer; #3, Robert McFarlin; #4, Craig Peterson
<b>Policy/Legal Reference:</b>	Policy 3-3, Expenditures
<b>Staff Prepared/Presented:</b>	Bryce Pickart 651-602-1091
<b>Division/Department:</b>	MCES c/o William G. Moore 651-602-1162

**Proposed Action**

That the Metropolitan Council authorizes its Regional Administrator to award and execute a construction contract for the Blue Lake WWTP Phase 1 Liquids Improvements Project No. 801830, Contract No. 08P035, to Knutson Construction Services for their low bid of \$43,051,000.

**Background**

This construction contract is the third of five major construction contracts that comprise the Blue Lake Plant Improvements project. The first two contracts, site preparation and biological phosphorus removal retrofit, have been completed. The fourth contract, anaerobic sludge digesters, has been advertised for bids. The fifth contract, plant expansion, has been deferred for 3 to 5 years, due to the growth slowdown.

The Phase 1 Liquids Improvements includes rehabilitation of electrical and mechanical equipment and systems throughout the liquid treatment portion of the plant, plus construction of a liquid waste receiving station for septage haulers and one additional biological treatment aeration tank.

Nine (9) bids, ranging from \$43,051,000 to \$61,162,000, were received and opened on May 12, 2009. The engineer’s estimate was \$75,000,000, including 15% contingencies. Knutson Construction Services submitted the lowest bid at \$43,051,000. Knutson has successfully completed similar projects for MCES.

The project is funded by PFA loan, and has disadvantaged business participation goals of 3.5% Minority-Owned Business Enterprise (MBE) and 11.5% Women-Owned Business Enterprise (WBE). Knutson Construction Services has proposed 1.1% MBE and 5.1% WBE participation. The Office of Diversity and Equal Opportunity has found that Knutson Construction Services has made good faith efforts to achieve the MBE/WBE participation goals.

**Rationale**

Construction contract awards exceeding \$1,000,000 require Metropolitan Council authorization.

**Funding**

Funding is provided in the 2009 MCES Capital Budget.

Annual or Capital	Project No	Estimated Project Cost	Current Authorization	Unencumbered Funds	Requested Amount
Capital	801830	\$49,000,000	\$85,000,000	\$84,900,000	\$43,051,000

**Known Support / Opposition**

No known opposition.