

E Environment Committee

Item: 2009-276

For the Metropolitan Council meeting of August 26, 2009

ADVISORY INFORMATION

Date Prepared: August 13, 2009

Subject: Authorization to Award and Execute Contract 09P097 with Waste Management, Inc. for the Transport and Disposal of Alkaline Stabilized Material

Proposed Action:

That the Metropolitan Council authorize its Regional Administrator to execute Contract 09P097 with Waste Management, Inc. for transport and disposal of alkaline stabilized material in an amount not to exceed \$465,500.

Summary of Committee Discussion / Questions:

Council Member Wittsack: Because this is on an as-needed basis, is there a fee for them to be on-call, or are they only paid if we use their services?

Staff: There is a 500-ton guaranty (approx. \$24,000). The first step we take with a new contract is to have the contractor remove 500 tons so that they become familiar with the facility and process. This helps them become familiar with the facility which is important when there is an emergency need for the service.

In response to a question from Wittsack, staff explained that SKB Environmental held the previous contract. SKB chose not to submit a bid because of limits to their bonding capacity.

Council Member Leppik asked if we have used this service before.

Staff: Yes. Between fall of 2005 and fall of 2007 we spent about \$480,000 for four separate instances; we haven't used the service in the last couple of years.

Council Member Wulff: Were the instances that we needed this service before the expansion of the incinerator capacity?

Staff: No, it was after the new incinerators came on line. There is still a potential of need for the service.

Wittsack: Given that we only received one bid, how does it compare with what we thought we would have to pay out?

Staff: The old contract was 39.80 per ton; the new contract is 45.95/ton. Not a significant increase, given the current market.

William Moore, MCES General Manager, explained that when service is needed, it's needed quickly. If there's a problem with one or two incinerators, it's critical to have back up.

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



Environment Committee

Meeting date: August 11, 2009

For the Metropolitan Council Meeting of August 26, 2009

ADVISORY INFORMATION

Date:	August 3, 2009
Subject:	Authorization to Award and Execute Contract 09P097 with Waste Management, Inc. for the Transport and Disposal of Alkaline Stabilized Material
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
Division/Department:	MCES c/o William G. Moore 651-602-1162

Proposed Action

That the Metropolitan Council authorize its Regional Administrator to execute Contract 09P097 with Waste Management, Inc. for transport and disposal of alkaline stabilized material in an amount not to exceed \$465,500.

Background

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. The contingency plan for disposal is an alkaline stabilization process which treats the sludge so it can be disposed of directly into a landfill. In the past, implementation of the contingency plan has been done by using emergency declarations and contracts. A competitively bid contract on an as-needed basis allows the Council to acquire these services when and if they are required and guarantees quick mobilization by the contractor. Bids were solicited to provide transportation and disposal services on an as-needed basis for up to 500 tons per day of alkaline stabilized material over a two-year period on 48 hours notice. One bid from Waste Management, Inc. was submitted on July 28, 2009. As only one bid was received, Council procurement staff contacted all document holders and other known disposal companies requesting information on why they did not submit a bid. Responses were varied – the cost of the performance and payment bonds was too expensive for the amount of guaranteed work, one landfill was concerned about having the capacity to dispose of the material, one landfill had restrictions on ph levels the Council couldn't meet and would have needed a permit variance to make it work. Plant operations staff believes it is prudent to have a contract in place to minimize mobilization time in the event services are required. The recommended contract has a unit price of \$45.95 per ton of alkaline stabilized material, and \$80.00 per hour for demurrage charges, if incurred, resulting in total cost of \$465,500 if an estimated total of 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.

Rationale

Council approval is required for procurement of goods or services valued at more than \$250,000.

Funding

Funds are available through the annual operating budget.

Known Support / Opposition

No known opposition.