

E 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.