

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

**ADVISORY INFORMATION**

<b>Date:</b>	March 21, 2012
<b>Subject:</b>	Authorization to Purchase Nitrate Salts and Odor Control Related Services
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Council Policy 3-3 Expenditures - Procurement of Goods and Services Over \$250,000
<b>Staff Prepared/Presented:</b>	Micky Gutzmann 651-602-1741; Bill Moeller 651-602-4504
<b>Division/Department:</b>	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 (NO<sub>3</sub>-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.