

Business Item 2020-169:
Blue Lake Solids Management
Assistance, Contract 19P211

Jason Peterson, Principal Engineer, Plant Engineering, Technical Services
Rene Heflin, Manager, Plant Engineering, Technical Services

Environment Committee: June 9, 2020



Background

- Blue Lake Final Stabilization Facility (FSF) was built in 1999 under a design-build-operate Contract.
- FSF takes Blue Lake Solids wastewater solids and converts them into a marketable fertilizer product.
- NEFCO has operated the Facility since 1999 with 100% of product being sustainably returned to agriculture.

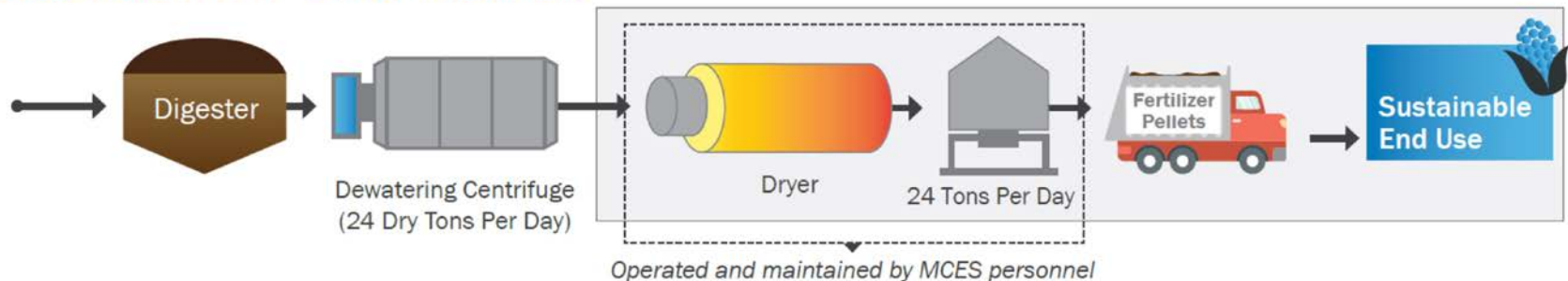


Blue Lake Wastewater Treatment Plant

Key Points of Solids Management Assistance Contract

- Contractor will be responsible for Operations, Maintenance, Storage, Marketing and End Use.
- Contractor will utilize MCES Operations and Maintenance Staff.
- All solids are required to have a sustainable end use.
- The Contract has a 10-year term with two 5-year extensions.

Blue Lake WWTP Solids Treatment



Solicitation Summary

- Request for Proposals was issued January 22, 2020.
- Disadvantaged Business Enterprise Participation Goals: 0%
 - No opportunity for sub-contracting and no MCUB firms with fertilizer marketing experience
- 2 proposals were received April 16, 2020.
- NEFCO
- Synagro

Final Stabilization Facility



Proposal Evaluation Summary

- Panel Members
 - 6 Environmental Services staff members
 - 2 external stakeholders
- Criteria
 - Quality of the proposal
 - Qualifications of the proposer
 - Experience of the proposer
 - Price of the proposal
- Both proposers scored at least Very Good Plus in each area. NEFCO was selected due to more experience with software that interfaces with the Council, more experience working with public employees, and a lower proposed price.

Financial Impact

- Total Cost of 10-year contract: \$23,500,000
- Year 1 is \$2,096,000 with annual CPI-U* increases.
- The cost under the expiring contract for the same scope in 2019 was \$2,880,137. The new contract will save about \$700,000 per year through updated technology, contract language, and a competitive environment for the proposal.

*CPI-U stands for Consumer Price Index – Urban. The US Bureau of Labor Statistics provides an inflation value that weighs the current cost of consumer goods and services.



Blue Lake
produces a
Class A
fertilizer pellet

Proposed Action

That the Metropolitan Council authorize award, negotiation, and execution of Contract 19P211 with New England Fertilizer Company (NEFCO) in the amount of \$23,500,000 for Blue Lake Solids Management Assistance.

Questions

Jason Peterson, Principal
Engineer, Plant Engineering,
Technical Services

651-602-1614

jason.peterson@metc.state.mn.us

Rene Heflin, Manager, Plant
Engineering, Technical Services

651-602-1077

rene.heflin@metc.state.mn.us