

Environment Committee

Meeting date: June 8, 2021

For the Metropolitan Council meeting of June 23, 2021

Subject: Wastewater Treatment Plant Solids Processing Contingency, Contract 20P168A

District(s), Member(s): All

Policy/Legal Reference: FM14-2 - Expenditures for the Procurement of Goods and Services Greater than \$500,000

Staff Prepared/Presented: Joseph Ward, 651-602-8302; Sara Smith, 651-602-8365

Division/Department: MCES c/o Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council authorizes its Regional Administrator to award and execute a contract to SKB Environmental, Inc. (SKB) for contingency transport and disposal of dewatered sludge for a total award not to exceed \$3,400,000.

Background

This contract will provide a contingency disposal plan in the event of any sludge processing interruption or unplanned downtime at the Metropolitan, Blue Lake, or Empire Wastewater Treatment Plants (WWTPs).

At the Metropolitan WWTP, dewatered sludge is normally processed by incineration with energy recovery. If sludge processing capacity is reduced, the contingency plan is a sludge loadout process that meets the requirements for landfill disposal.

The Empire and Blue Lake WWTPs anaerobically digest sludge for use as an agricultural supplement. If sludge processing capacity is reduced or land application is not available, these anaerobically dewatered sludges can be diverted to landfills for disposal.

A previous contract was awarded in May 2017 and is now up for renewal.

The Invitation for Bids was advertised on March 24, 2021. There were six plan holders, one prime bidder, two subcontractors, one supplier and one plan room and one of the plan holders identified and a disadvantaged business enterprise. Council staff facilitated a public pre-bid meeting that outlined the solicitation requirements, discussed project specifications, and responded to plan holder inquiries. Procurement facilitated a public bid opening on April 27, 2021 and two bids were received.

The Office of Equal Opportunity (OEO) set a Disadvantaged Business Enterprise (DBE) goal of four percent (4%). OEO determined that SKB Environmental Inc. passed the DBE evaluation by exceeding the numeric goal by committing to 22.5% DBE utilization for this contract.

The purchase order will be for a period of two (2) years at a fixed price followed by three optional one (1) year renewals with a maximum 5% cap each year based on verifiable increases in cost to the supplier.

Rationale

The two bids received ranged from \$2,694,600 to \$6,000,000. SKB Environmental Inc. was the low, responsive, responsible bidder with a bid of \$40.56 per ton for Metro, \$39.00 for Empire, and \$42.00 for Blue Lake and is

recommended for award. The execution of a goods or service contract in excess of \$500,000 requires Council approval.

Thrive Lens Analysis

This action advances the Thrive outcome of stewardship and livability through financial resources being invested efficiently and effectively to maintain proper operation of the Metropolitan Disposal System which protects the region's natural resources.

Funding

Funds are available through the Metro Plant annual operating budget.

Known Support / Opposition

No known opposition.