

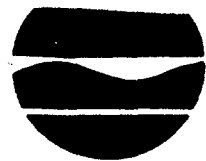
MEMORANDUM FROM
EDWARD O. SULLIVAN
Deputy Commissioner

New York State
Department of Environmental Conservation

TO: Thomas C. Jorling - Commissioner

RE: Sealand Restoration, I.D. #645014, St. Lawrence County

DATE: NOV 17 1988



49552

The Sealand Restoration Site is located in the Town of Lisbon, St. Lawrence County. The site was operated from 1978 to 1980 and received a variety of oil spill debris, industrial wastes, and solvents. Wastes were landspread on a portion of the site or landfilled into a waste disposal pit approximately 150 ft. long by 75 ft. wide and 15 ft. deep. A Remedial Investigation/ Feasibility Study (RI/FS) was completed in 1987 and documented trace levels of organic chemicals and heavy metals in groundwater. A public participation meeting was held in August, 1987 and recommended removal of wastes from the waste pit for off site disposal.

A removal project for off site land disposal was advertised on July 20, 1988. Subsequently, it was necessary to issue amendments to the Request for Bids because the land ban requirements, which became effective November 8, 1988 for solvent wastes, precluded land burial without pretreatment. Twenty-one firms attended a mandatory prebid meeting on August 2, 1988.

Bids were received on October 6, 1988. Severson Environmental Services, Inc. submitted the only bid at the bid opening, with another bid submitted by Clean Harbors, Inc. one hour late. Clean Harbors' bid was returned to the contractor unopened on the advice of the Division of Legal Affairs (DLA). Severson's bid is summarized as follows:

	Engineers Estimate	Severson
Alternate 1 - Stabilization/Pretreatment and Land Burial	\$ 4,457,500	\$ 4,718,620
Alternate 2 - Off site incineration	17,017,500	11,928,620
Alternate 3 - On-site incineration	8,517,500	8,635,120

The bid for Alternate 1 was determined to be nonresponsive because the bid price did not include stabilization/pretreatment as required by the land ban regulations. Alternate 2 was reviewed by staff from the Division of Hazardous Waste Remediation (DHWR) and the DLA and was considered responsive as it contained only minor informalities which Severson has indicated they would correct at no increase in cost. Alternate 3 was determined to be a viable bid, pending removal of a condition to have the Department grant a 30-day interim incinerator operating authorization after the trial burn. This condition must be removed to award the contract for Alternate 3. After initial discussions, Severson has not yet agreed to remove this condition and

SLD 001 1090 P

thus, the bid for Alternate 3 cannot be awarded at this time.

Both Alternate 2 (off site incineration) and Alternate 3 (on-site incineration) will result in the actual removal of wastes from the site and are considered permanent remedies. Although both alternates are within or near the engineer's estimate for the project, Alternate 3 has a significant advantage in that it is \$3.3 million less than Alternate 2. However, the concept of on-site incineration has not been presented to the public and will require a major public participation program and long term dedication of staff in the Division of Air, Division of Hazardous Waste Remediation, and Division of Hazardous Substances Regulation to obtain the necessary regulatory reviews and approvals. Public opposition to on-site incineration is expected to be significant. Alternate 2 (off site incineration) is considered consistent with the removal project previously presented to the public. Further, Alternate 2 can be completed in one year with wastes being incinerated at facilities that are already permitted versus at an on-site incinerator which would require detailed regulatory reviews and approvals. The on-site incineration will take approximately one year to receive approvals and one year to complete the project. In addition, approvals of the on-site incinerator may not be issued.

A meeting between Department staff and representatives of the Office of the State Comptroller (OSC) determined that OSC would consider awarding the contract with only one bid if the Department could justify that it was competitive and in the best interests of the State. However, OSC is concerned that the 100% bonding requirement was reducing competition and that all the larger State Superfund construction contracts have been awarded to Severson, Inc. Staff feel the one bid can be justified.

A bid protest was received from Incinerex, Inc. contending that they were not notified of the bid in sufficient time to attend the mandatory prebid conference and thus could not bid the contract as a prime contractor. DLA has rejected this protest.

Based on the above, it is recommended that the contract be awarded to Severson Inc. for Alternate 2, off site incineration. An alternative to this recommendation is to rebid off site incineration as the only permanent removal and disposal method. However, we expect the bids to be higher if the project is rebid, since it is now known that Severson's bid was significantly below the Engineer's estimate.

A detailed briefing paper is attached. If you have any questions, please see me.

Edward O. Zell
Deputy Commissioner

SLD 001 1091