

May, 2012

## **Request for Proposals**

The Central Bering Sea Fishermen's Association (CBSFA) is the management organization for St. Paul Island under the Western Alaska Community Development Quota Program (CDQ). Since the program was created in 1992, the federal government has been awarding various species of fish (CDQ allocations) from the Bering Sea and Aleutian Islands commercial fisheries to CBSFA. In turn, CBSFA manages these allocations to promote social and economic development at St. Paul Island.

For further information about CBSFA, please go to our website at: [www.cbsfa.com/](http://www.cbsfa.com/)

CBSFA is seeking proposals for an economic, capital costs and operational feasibility study of the most appropriate long-term method/s for disposing of seafood processing waste resulting from seafood processing on St. Paul Island during the period from May 1 to December 1 of each year, beginning in 2014. Background information and detailed requirements are included below.

**Proposals must be received, by email, by 5:00 p.m. Pacific Daylight Time on July 2, 2012.**

**The CBSFA Board of Directors will make a decision by July 30, 2012.**

**The study must be completed by February 15, 2013.**

Proposals should be sent by email to:

Phillip Lestenkof, President  
Central Bering Sea Fishermen's Association  
Email address: [plestenkof@cbsfa.com](mailto:plestenkof@cbsfa.com)

And to:

Heather McCarty  
Email address: [hdmccarty@gmail.com](mailto:hdmccarty@gmail.com)

Hard copies of proposals should be mailed to:

Phillip Lestenkof, President  
Central Bering Sea Fishermen's Association  
PO Box 288  
Saint Paul Island, Alaska 99660

Questions about the RFP should be addressed to:

Phillip Lestenkof  
907 546-2279, 907 538-2401

Or to:

Heather McCarty  
907 351-6794

### **Background information**

Trident Seafoods owns a seafood processing facility located at St. Paul Island, Alaska. This facility is currently the only shore-based processing facility operating on the island.

Since 2003, CBSFA and Trident have entered into annual custom processing agreements under which Trident processes the CDQ and IFQ halibut that is harvested by the St. Paul fishermen for the CBSFA Halibut Cooperative. CBSFA owns halibut Community Development Quota (CDQ) that is harvested by the St. Paul fishermen and/or its own vessels during the summer season from May to October. The St. Paul fishermen also own halibut Individual Fishing Quota (IFQ) that is harvested by the local fishermen and the CBSFA vessels.

Other holders of halibut IFQ who are not local fishermen also sell and deliver their halibut to the Trident facility.

The Trident facility buys and processes large amounts of opilio crab, and smaller amounts of Bristol Bay red king crab and St. Matthews blue king crab, during the fall and winter crab seasons from October through May. During this period, Trident also custom processes for CBSFA these species of crab owned by CBSFA.

In addition to halibut and crab, there is future potential for other species of fish – chiefly cod and sablefish – to be delivered to and processed by the Trident facility.

### **EPA action**

In 2012, the United States Environmental Protection Agency (EPA), under the terms of Paragraph 46 of Consent Decree No. 11-1616 between the United States of America and Trident, prohibited all discharges of solid seafood processing waste through the St. Paul facility's outfall from May 1 to December 1, beginning in 2014. This prohibition will be phased in, starting with a 50% reduction in 2013 by reference to base year 2011.

(After the prohibition on solid waste discharge during the summer months goes into effect in 2014, solid seafood waste discharge will continue to be allowed from December 2 through April 30. However, that seafood waste could instead be used to help supply a fishmeal plant, as needed, and should be considered in the cost-benefit analysis.)

In response to the EPA action, CBSFA, in consultation and agreement with St. Paul community entities and Trident, has determined by corporate resolution to develop plans to deal effectively with the EPA prohibition of solid seafood waste starting in 2014, with the goals of:

- a) providing at least a break-even method of disposing of the solid waste;
- b) adhering to EPA legal requirements;
- c) protecting the marine environment and resources around St. Paul;
- d) moving towards green fisheries.

### **Study Requirements**

CBSFA and the St. Paul fishermen desire to:

- a) maintain stability and optimum value in the St. Paul halibut fishery;
- b) continue and expand the value-added halibut production currently practiced at the St. Paul facility;
- c) further develop processing activity at the St. Paul facility, including the processing of other products and/or species;
- d) maintain their longstanding working relationship and partnership with Trident;
- e) comply with Federal and State legislation regarding seafood waste disposal.

Therefore, CBSFA seeks proposals for an economic and operational feasibility study for a fishmeal plant, or comparable alternative, for dealing with solid seafood processing waste from the Trident St. Paul facility.

#### **I. Current and potential fishery resources:**

The study should analyze the current and future potential for seafood processing at the St. Paul facility beginning in 2014, based on projections of fishery resource availability in the Central Bering Sea. These fishery resources should include:

- 1) halibut
- 2) cod
- 3) sablefish
- 4) crab

If the study group identifies additional species as potentially worthy of inclusion, those species and the resulting product forms must first be presented in concept to CBSFA for approval before any further analysis is undertaken.

#### **II. Current and potential primary and secondary products:**

The study should provide projected costs of processing of the primary and secondary products listed here, and the potential revenue from such products:

- 1) halibut Head and Gut (H&G)
- 2) halibut fletch
- 3) other halibut secondary products
- 4) cod H&G
- 5) cod fillet, fillet block, surimi, other secondary products
- 6) sablefish H&G
- 7) crab

### **III. Current and potential solid seafood waste:**

The study should examine the amounts of solid waste resulting from all current and potential levels of seafood processing and production on St. Paul, including the primary and secondary products listed above in section II.

### **IV. Fishmeal plant capital cost:**

The study should examine the capital cost of constructing a fishmeal plant on St. Paul to produce meal and other usable products such as fish oil from the projected fish processing waste. The products examined should include those making use of crab shells.

### **V. Fishmeal plant operating costs:**

The study should provide an analysis of the cost of operating such a fishmeal facility, including shipping costs of operational equipment and materials to the island, and shipping costs of finished products from the island; and the potential revenue from the fishmeal, fish oil, crab shell products, and any additional products.

### **VI. Waste storage tanks construction, treatment and disposal costs:**

The study should examine the capital cost of constructing tanks on the island large enough to hold the waste produced from the projected fish processing from May through November, as well as the cost for disposing of that stored waste after December 1. The study should analyze the technical feasibility of chemically treating the waste during the summer to stabilize it so that no odor is produced.

Trident Seafoods has committed to internally undertaking an analysis of this alternative, to be delivered by December 2012. With their agreement, this analysis will be provided to the study group.

### **VII. Vessel disposal costs:**

The study should examine the cost of leasing or hiring properly equipped vessels to transport the projected volume of solid seafood waste for legal disposal at sea, from May through November.

### **VIII. Additional disposal methods:**

The study should examine any additional practical methods of disposing of solid seafood waste, and the capital and operating costs of such methods. If the study group identifies additional methods as potentially worthy of study, those methods must first be presented in concept to CBSFA for approval before any further analysis is undertaken.

### **IX. Summary and comparison of methods:**

The study should provide a summary and comparison of the costs and benefits of each disposal method. The study should also provide a summary and analysis of the environmental ramifications, both negative and positive, of each method of disposal.

### **X. Potential funding sources:**

The study should provide a listing of potential funding sources for implementation of each of the alternative solutions for which that potential exists.

### **Additional requirements:**

If the proposal includes subcontractors to obtain information or provide analysis in any of the areas required, the subcontractors and their relevant experience and expertise should be specifically named and discussed in the proposal.