



**Financial Services
Procurement**
735 Randolph Street, Suite 1508
Detroit, Michigan 48226
Phone: 313-964-9157

Memorandum

Date: January 14, 2022

To: The Honorable Board of Directors

Thru: Navid Mehram, Chief Operating Officer, Wastewater Operating Services

From: Sonya Collins, Chief Procurement Officer

CC: Navid Mehram, Chief Operating Officer Wastewater Operating Services
Daniel Edwards, Procurement Manager

RE: Communication- Response to Question
Contract No. 2101765
“Hauling of Biosolids to Disposal Sites”

Background/Question: In the January 12, 2022, Operations and Resources Committee meeting, a question was asked about the large discrepancy between pricing of the previous contract and proposed current contract.

Response: There was an error made on the Procurement Report. Waste Management does not haul biosolids, Waste Management owns the landfills. The unit prices of \$45 (first year of initial period) and \$50 (second year of initial period) per ton are the tipping fees.

The vendor currently providing biosolids hauling services to the landfill is DHT Transport LLC. These services were obtained through various Purchase Orders (PO), not one specific contract.

The differences between the current PO’s and proposed Contract No. 2101765 are provided in the table below:

		Current PO’s-DHT Transport LLC	Proposed Contract No. 2101765-DHT Transport LLC*
Description	UOM	Unit Price	Unit Price
Hauling Distance 0-45 Miles	Ton	\$11.00	\$12.50
Hauling Distance 46 – 65 Miles	Ton	12.50	14.50

*Price increase is based mostly on the increasing price of fuel and to a smaller degree – in order to keep drivers – pay raises are necessary.