

**Procurement Form (FOR)****Effective Date:**
5/1/2019**Document #:**
FSA_PRO_FOR_0040**Revision Date:**
N/A**Revision#:**
0**Document Title:**
Procurement Board Report-RFB**Document Owner/Department:**
Procurement Team**Date:** February 12, 2020**To:** Sue McCormick, Chief Executive Officer**From:** Daniel Edwards, Procurement Manager**Re:** Procurement Report**General Information**

Contract Number:	2000068	Project Owner:	Sanjay Patel
Contract Title:	Landfill Service for Lime Stabilized Dewatered Sludge		
Vendor:	Waste Management of Michigan, Inc.		
Budget:	Operations and Maintenance		

Procurement Method

Specialized Procurement

Specialized Procurement (Single/Sole Source)

This procurement is a single/sole source based on the need for guarantee landfill capacity of 1,200 wet tons of lime stabilized dewatered sludge. The GLWA is required to have backup for its solid disposal system in case of a catastrophic failure of the BDF or Incineration systems. In the event of a failure GLWA can utilize the Central of Load Facility (COF) to dewater sludge and lime stabilized for disposal. The facility can generate up to 1,200 wet tons of Lime stabilized sludge per day and subsequently requires a capacity guarantee from a receiving landfill for disposal. Of the landfills in this region that will accept lime stabilized dewatered sludge in the guaranteed capacity needed, only Waste Management fulfills the requirement.

While there are a few landfills other than Waste Management that will accept lime dewatered sludge, they do not have the 1,200 wet tons capacity required by GLWA's permit. A survey was conducted to assess the ability of Republic Services, VMX International, LLC, Green for Life (GFL), and Disposal Management to provide landfill services for lime stabilized dewatered sludge. All vendors contacted stated they can take lime stabilized dewatered sludge but cannot handle the required 1,200 wet tons per day capacity that is required for WRRF operations.

Furthermore, in 2018, GLWA went out for bids on P.O. 10945 "Hauling and Disposal of Bar Rack & Grit" for disposal of grit which, like sludge treated with lime, cannot be disposed of in regular residential landfills. In this instance, only one (1) bid was received, and that was from Waste Management. GLWA completed a Vendor Survey contacting all the vendors who downloaded the bid document and did not supply a bid. The overall response was that it is not cost effective for



Procurement Form (FOR)

Effective Date:
5/1/2019

Document #:
FSA_PRO_FOR_0040

Revision Date:
N/A

Revision#:
0

Document Title:
Procurement Board Report-RFB

Document Owner/Department:
Procurement Team

other vendors to bid because Waste Management owns and controls all the landfills in the area that meet the environmental needs and requirements of the disposal of grit.

Cost

The current unit cost for this contract is \$40.00 per ton.

The new agreed upon pricing per ton is as follows:

Year one: \$45.00 per ton

Year two: \$50.00 per ton

Years three, four, and five: A rate mutually agreed upon three months prior to the expiration of the previous year.

The total contract amount with Waste Management is \$2 Million for a period of five (5) years which is based on the budget amount determined by the current amounts of sludge being sent to landfills.

Other Data Requested by GLWA Board Members

Minority Business Enterprise (MBE): No

Detroit Based Business (DBB): No

Small Business Enterprise (SBE): No

Sub-Contractor(s) List: No

Vendor Response Survey: No

Litigation

This vendor is not currently nor has been previously involved in any litigation with the GLWA.

Financials

A financial risk assessment was performed by the GLWA via Dun & Bradstreet and was determined that the selected vendor has the financial capacity to perform the tasks under this contract. This information is available for the Board of Directors to review upon request.



Procurement Form (FOR)

Effective Date:
5/1/2019

Document #:
FSA_PRO_FOR_0040

Revision Date:
N/A

Revision#:
0

Document Title:
Procurement Board Report-RFB

Document Owner/Department:
Procurement Team

Previous Contract

Previous contract holder:

The previous contract, Contract No. 49583, Landfill Services for Wastewater Sludge Cake (Biosolids) Treated with High Calcium Lime, with Waste Management, was for the period of 4/1/2015 through 3/31/2020, for \$26,300,400.00. The contract was competitively bid and two (2) bids were received. The differences between the two bidders is provided in the table below.

Bid Summary for Landfill Services 2014 Solicitation		
Description	Waste Management of Michigan, Inc.	Disposal Management, LLC
Quantity (tons)	210,000	210,000
Cost Per Ton	\$31.00	\$32.00
Year One	\$6,510,000.00	\$6,888,000.00
Year Two	\$6,510,000.00	\$6,888,000.00
2-Year Contract Total	\$13,020,000.00	\$13,776,000.00
Renewal Year One Increase	2%	0%
Renewal Year One	\$6,640,200.00	\$6,888,000.00
Renewal Year Two Increase	0%	0%
Renewal Year Two	\$6,640,200.00	\$6,888,000.00

It was found that Disposal Management, LLC (former bidder on previous contract) is a company that no longer exists and has gone out of business. A sister company was developed as a result, called Environmental & Disposal Management.

For the renewal for 2019, Waste Management had to increase the price per ton due to the increase in costs related to regulatory cost increases and GLWA having less quantities for disposal because the BDF and incinerator system were able to process more sludge rather than landfilling. Therefore, their per ton fee increased to \$40.00.

The total spend for the last two optional years on the previous contract to date is \$480,369.86 (2018 – 2020).



Procurement Form (FOR)

Effective Date:
5/1/2019

Document #:
FSA_PRO_FOR_0040

Revision Date:
N/A

Revision#:
0

Document Title:
Procurement Board Report-RFB

Document Owner/Department:
Procurement Team