



Legislation Text

File #: 2023-003, Version: 1

**Contract No. 2201101
Incinerator 11 Rehabilitation
O&M**

Agenda of: January 25, 2023
Item No.: **2023-003**
Amount: \$2,486,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: January 4, 2023

RE: **Contract No. 2201101
Incinerator 11 Rehabilitation
Vendor: Commercial Contracting Corporation**

MOTION

Upon recommendation of Navid Mehram, Chief Operating Officer - Wastewater Operating Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. 2201101, "Incinerator 11 Rehabilitation" with Commercial Contracting Corporation, at a cost not to exceed \$2,486,000.00, for a duration of 365 days;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Under the Refractory Inspection and Repairs Contract, the Water Resource Recovery Facility (WRRF) has been performing complete inspections on the incinerators and undertaking necessary repairs since 2020. The contract included unit price bids for standard repair items of limited quantities. Inspection on Incinerator 11 took place in 2020 and required substantial repairs as opposed to other incinerators requiring only minor repairs. Repair costs for Incinerator 11 turned out to be very high due to high unit prices. Repairs were postponed and the incinerator is not operational. This contract allowed participation by several vendors, which resulted in competitive bids. The WRRF prefers to maintain all incinerators as operation ready and cannot afford to have more than two (2) units out of service. Repair of Incinerator 11 is critical.

JUSTIFICATION

GLWA utilize Biosolids Dryer Facility (BDF) and Incineration as its primary source for solids treatment prior to disposal. Approximately 75% of total average sludge production is handled by the BDF and the remainder by the incinerators. It is essential for GLWA to maintain the availability of all incinerators to maintain the facilities solids treatment capacity in accordance to our National Pollutant Discharge Elimination System (NPDES).

FINANCIAL PLAN IMPACT

Summary: These repairs were anticipated during the development of the current Budget and Financial Plan. However, should this contract be fully used, there are insufficient funds in the current financial plan for this proposed contract. Should this occur, a budget amendment would be required, first from other repairs or other expense types, and finally from the unallocated reserve.

Funding Source: 5960 - Operations & Maintenance (O&M)

Cost Center: Wastewater Incineration Process (892226)

Expense Type: Repairs & Maintenance-Equipment (622300)

Estimated Cost by Year and Related Forecast Variance: See table below.

<u>Fiscal Year</u>	<u>Amount</u>
FY 2023 Budget (Prorated)	\$842,350.00

FY 2024 Financial Plan (Prorated)	<u>978,500.00</u>
Total Financial Plan	1,820,850.00
Maximum Proposed Contract	<u>2,486,000.00</u>
Variance (positive/ (negative))	<u>(\$665,150.00)</u>

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on January 11, 2023. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.