

Legislation Text

File #: 2018-644, Version: 1

RFB 1124 Hauling of Biosolids to Disposal Sites Custom Ecology of Ohio, Inc.

Agenda of: March 28, 2018
Item No.: **2018-644**
Amount: \$4,241,600.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: March 9, 2018

RE: RFB 1124 Hauling of Biosolids to Disposal Sites - Custom Ecology of Ohio, Inc.
MOTION

Upon recommendation of Suzanne Coffey, Chief Planning Officer, Interim Chief Operating Officer - Wastewater, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA) authorizes the Chief Executive Officer (CEO) to **enter into an Agreement for Hauling of Biosolids to Disposal Sites with Custom Ecology of Ohio at a cost not to exceed \$2,120,800.00 for two years with two one-year renewal options at \$1,060,400.00 per year for a total of \$4,241,600.00** and authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On those occasions when sludge production exceeds available biosolids dryer facility and incineration capacity, the excess material is diverted to WRRF Central Offloading Facility (COF). All biosolids processed through the COF are stabilized using calcium lime. The lime-stabilized sludge cake is discharged from the COF and then transported to an approved type II landfill for final disposal.

The vendor, upon delivery of the stabilized sludge cake, will be responsible for the proper disposal of the material, in accordance with all applicable laws, ordinances, rules and regulations of the

regulatory agencies.

JUSTIFICATION

The NPDES Permit requires the Water Resource Recovery Facility (WRRF) to limit solids discharged into the Detroit River and Rouge River. After dewatering, the biosolids (sludge) are disposed of via the biosolids dryer, incineration, land application or burial in approved type II landfill. A vendor is needed to haul biosolids from WRRF to various landfills.

The Procurement Group, Supply Chain Operations Team, competitively bid this project to obtain the lowest responsive and responsible vendor.

Advertised: January 25, 2018
On BidnetDirect (MITN) - Request for Bid (RFB) 1124

Distributed to: 197 vendors

Downloaded bid documents: 24 vendors

Response due date: February 15, 2018

Responses received: Three (3) vendors submitted bids

Evaluation Method: Request for Bid (RFB) - Lowest responsive and responsible bid tabulation.

<u>Vendor (Lowest to Highest)</u>	<u>Cost</u>
Custom Ecology of Ohio, Inc.	\$1,060,400.00 per year
Bankston Construction, Inc.	\$1,439,375.00 per year
Leadhead Construction LLC	\$3,771,000.00 per year

The price is firm for the term of the agreement.

It is recommended to award to Custom Ecology of Ohio, Inc.

Custom Ecology of Ohio, Inc. is the incumbent provider.

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.

Project Estimate

It is estimated that the WRRF will produce 86,500 tons of wet biosolids to be disposed of in landfills annually. The annual projection for purposes of bidding for this agreement is: \$1,060,400.00, totaling \$2,120,800.00 for two years. The expected contract start date is April 1, 2018 and runs through March 31, 2020, with two one-year renewal options available to GLWA.

BUDGET IMPACT

The forecast for biosolids disposal is based on an estimated annual 86,500 tons of material produced by the WRRF sent to landfill. Hauling and disposal of the biosolids is budgeted under Contractual Operating Services in the BDF, COF & Hauling cost group (892227). The table below represents the financial plan for this contract.

General Ledger string	FY 2018	FY 2019	FY 2020	FY 2021
5960-892227.000-617900-SD9020	\$1,200,000	\$1,096,500	\$1,118,400	\$1,140,800

The budget is based on an estimated annual 86,500 hauling tons needed for the Water Resource Recovery Facility. This annual procurement of Biosolids Hauling as presented is within the financial plan.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The previous agreement negotiated in 2014 by the City of Detroit Water and Sewerage Department was a two-year agreement with two, one-year options. The bid was awarded for \$ 1,542,750.00 per year with a automatic 3.5% increase for each of the renewal years. The new price of \$1,060,400.00 per year is firm for the term of the agreement, including option years. The new average price of \$12.26 per ton is higher than the previous average price of \$11.43 per ton (\$0.83 per ton more). It is important to note our biosolids disposal volume to landfills has decreased by 40% since 2014 due to the startup of biosolids dryer facility. The pricing reflects the decrease in disposal volume.

COMMITTEE REVIEW

This matter was reviewed by the Operations and Resources Committee at its March 14, 2018 meeting. 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.