



Legislation Text

File #: 2018-782, Version: 1

Contract No.: RFB 1127
Hauling and Disposal of Ash and Grit

Agenda of: June 20, 2018
Item No.: **2018-782**
Amount: \$ 624,600.00 2 Years
\$ 312,300.00 First Year Renewal Option
\$ 312,300.00 Second Year Renewal Option
Total: \$1,249,200.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: June 7, 2018

RE: **Contract No.: RFB 1127**
Hauling and Disposal of Ash and Grit
Vendor: Custom Ecology of Ohio

MOTION

Upon the 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 Contract No. RFB 1127, "Hauling and Disposal of Ash and Grit" with Custom Ecology of Ohio, at a cost not to exceed \$624,600.00 for a duration of two years with two one-year renewal options at \$312,300.00 per year;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Water Resource Recovery Facility traditionally uses this proposed contract to remove moistened incinerator ash from ash silos outside of the incineration complex. The scope of work requires the contractor to furnish all labor, materials, supplies, equipment and disposal sites (landfills) necessary for the safe loading, transporting and disposal of the moistened ash estimated to be 18,000 tons per year, into a State approved, licensed landfill.

JUSTIFICATION

The NPDES Permit MI0022802 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 facility, incineration, land application or burial in an approved type II landfill. After incineration, a vendor is needed to haul and dispose of the ash and grit from incinerators from the Water Resource Recovery Facility to various State approved licensed landfills.

FINANCIAL PLAN IMPACT

Summary: The financial plan forecasts a consistent rate of expenditure. The actual rate of spend will vary year to year based on volume. Future financial plans will be adjusted to accommodate the forecasted variance.

Funding Source: Operations & Maintenance Budget

Cost Center: Biosolids Dryer Facility, Central Offloading Facility & Hauling
(Sewage Disposal Cost Center 892227)

Expense Type: Contractual Operating Services (5960-892227.000-617900-SD9020)

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

Fiscal Year	Current Forecasted Amount	Revised Forecasted Amount
FY 2019 Proposed (prorated) Budget	\$ 209,300.00	\$ 234,225.00
FY 2020 Plan	279,072.00	312,300.00
FY 2021 Plan	279,072.00	312,300.00
FY 2022 Plan	279,072.00	312,300.00
FY 2023 Plan Pro-rated to 08/31	69,770.00	78,075.00
Financial Plan Forecast	\$ 1,116,286.00	\$1,249,200.00
Maximum Contract	1,249,200.00	1,249,200.00
Forecasting Variance	\$ (132,914.00)	\$ 0.00

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The increased use of the Biosolids Dryer Facility has resulted in a reduction of volume processed through incineration. This has resulted in an increased cost per ton for this service.

Project estimate	\$ 15.50 / Ton
Actual bid	\$ 17.35 / Ton
Estimate variance	\$ 1.85 / Ton

COMMITTEE REVIEW

This item is being presented directly to the full Board of Directors for consideration.

SHARED SERVICES IMPACT

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