



Legislation Text

File #: 2022-047, Version: 1

Contract No. 2101766A
Hauling and Disposal of Ash

Agenda of: February 23, 2022

Item No.: **2022-047**

Amount:	Two Year Contract	\$1,161,000.00
	First Year Renewal Option	639,000.00
	Second Year Renewal Option	657,000.00
	Total Contract	\$2,457,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: February 1, 2022

RE: **Contract No. 2101766A**
Hauling and Disposal of Ash
Vendor: DHT Transport LLC

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 Interim Chief Executive Officer (ICEO) to **enter into Contract No. 2101766A, "Hauling and Disposal of Ash" with DHT Transport LLC, in the amount of \$1,161,000.00 for a duration of two (2) years, with two (2) one (1) year renewal options at a cost not to exceed \$639,000.00 and \$657,000.00 respectively for each renewal year for a total contract amount of \$2,457,000.00;** and authorizes the ICEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Water Resource Recovery Facility (WRRF) uses this proposed contract to remove incinerator

ash from ash silos for hauling and disposal to the landfill. 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 ash into a State-approved and licensed landfill.

JUSTIFICATION

The National Pollutant Discharge Elimination System (NPDES) Permit MI0022802 requires the Water Resource Recovery Facility to limit solids discharged into the Detroit River and Rouge River. After dewatering, the biosolids (sludge) is disposed of via the biosolids dryer facility for land application, incineration, or burial in an approved type II landfill. Ash is produced after incinerating the biosolids, therefore a vendor is needed to haul the ash from the incinerators and dispose of it to State-approved and licensed landfills.

FINANCIAL PLAN IMPACT

Summary: The forecast for the disposal of material from the Water Resource Recovery Facility (WRRF) is an ongoing component of the wastewater financial plan. The maximum value of the contract exceeds the current financial plan for this service. Quantities of material covered by this contract vary from year to year. Should any year's quantity exceed the budget, an amendment may be needed. First, offset by other disposal costs, then budget from other areas, and finally from the unallocated reserve.

Funding Source: Operations and Maintenance (O&M) 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 Forecast Variance: See table below.

<u>Fiscal Year</u>	<u>Amount</u>
FY 2022 Budget (prorated)	\$113,400.00
FY 2023 Financial Plan	425,000.00

FY 2024 Financial Plan	425,000.00
FY 2025 Financial Plan (prorated)	271,250.00
Financial Plan Forecast	\$1,234,650.00
Proposed Contract Amount	<u>\$2,457,000.00</u>
Forecast Variance (positive/ (negative))	(\$1,222,350.00)

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on February 9, 2022. 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.