



Legislation Text

File #: 2022-450, Version: 1

Contract No. 2202974
Lime O&M

Agenda of: October 26, 2022
Item No.: **2022-450**
Amount: \$1,536,120.00
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: September 30, 2022

RE: **Contract No. 2202974**
Lime
Vendor: Carmeuse Lime, Inc.

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. 2202974, "Lime" with Carmeuse, Inc., at a cost not to exceed \$1,536,120.00 for a duration of One (1) Year;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The National Pollutant Discharge Elimination System (NPDES) Permit MI0022802 requires the Water Resource Recovery Facility (WRRF) to limit solids discharged into the Detroit River and Rouge River. The largest portion of solid waste derived from wastewater treatment is the solids. On occasions when solids production exceeds the available incineration or Biosolids Dryer Facility (BDF) capacities, the excess sludge is diverted to the WRRF Central Offloading Facility (COF). The solids processed through the COF is stabilized using calcium hydroxide (lime). Lime is a required additive to stabilize and suppress odor of biosolids produced prior to disposal. This process is regulated by EPA part 503 Biosolid Rule as required by our NPDES permit. This contract will ensure the supply of lime as necessary for the WRRF.

JUSTIFICATION

Solids disposal is a key factor for GLWA-WRRF to remain compliant with the NPDES permit. Although WRRF prioritizes biosolids disposal via BDF and then Incineration, COF remains a key component for permit compliance when the above facilities experience interruptions, or during the extreme wet weathers when solids loading at WRRF.

FINANCIAL PLAN IMPACT

Summary: The use of lime is anticipated as an on-going component of the wastewater financial plan. The maximum value of the contract exceeds the current financial plan for this chemical. With this contract's use being on an as-needed basis, it is budgeted accordingly. Should this contract be exercised beyond the forecasted quantity, a budget amendment may be needed. First, offsetting other disposal costs that may be reduced, secondly from other areas, and finally from the unallocated reserve.

As the memo from the Procurement Director to the Board dated November 3, 2021, has noted, pricing for chemicals is currently very volatile. In addition, the demand and availability of this and other chemicals may create additional demand by the organization which will affect the budget evaluation.

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

Cost Center: Wastewater Incineration (Cost Center 892226)

Expense Type: Operating Supplies - Chemicals (621600)

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

| <u>Fiscal Year</u> | <u>Amount</u> |
|-----------------------------------|-------------------------|
| FY 2023 Amended Budget (Prorated) | \$33,750.00 |
| FY 2024 Financial Plan (Prorated) | <u>19,500.00</u> |
| Total Financial Plan | \$53,250.00 |
| Maximum Proposed Contract | <u>1,536,120.00</u> |
| Variance (positive/(negative)) | <u>(\$1,482,870.00)</u> |

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on October 12, 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