

Michigan Great Lakes Protection Fund

Long Run Risk Management Request for Proposals – Frequently Asked Questions

November 4, 2020

1. In assessing the “full economic costs” would the state like the consultant to assess costs to the state alone or costs to society at large?

Answer: The consultant should consider a full societal cost, including things like lost recreational value or costs to homeowners. However, the scope of the costs should be within reason, i.e., things that can be clearly causally linked to the contamination.

2. In estimating the “full economic costs” of institutional controls, would you like the consultant to consider potential alternative uses for each site if the site had been fully remediated?

Answer: Consideration of alternative uses should not be entirely ruled out, because there could be some foregone uses that will be relevant (especially where the site was previously used for some purpose and could no longer be used for that purpose after contamination). In general, however, alternative uses will not need to be included, as they could make the analysis overly speculative.

3. In estimating additional unexpected costs, would you like the consultant to include the costs of completing an updated environmental assessment study?

Answer: Additional assessment costs should be considered if they would not have been incurred otherwise.

4. Does EGLE have data on what the anticipated costs of implementation were at the potential case study locations, or is that something the grantee would need to track down as part of our research?

Answer: EGLE is still working on identifying data sources within EGLE that would be helpful to the grantees, but the challenge is that it is not very uniform. In some cases, EGLE might have cost comparisons for various management options, but in other cases EGLE may not, or the information might not be available because it is held by a private company. It is highly likely that at least some of that information will need to be developed as part of the research for the project. EGLE is prepared to take data availability into account with the site selection

process—if finding data for a site is not feasible, that site will probably not be considered for the project.

5. When asking about the cost of “other potential management actions,” is EGLE referring to what the anticipated costs of those alternatives were back at the time of implementation, or what the cumulative costs of those alternatives would have been since implementation.

Answer: We are referring to what the cumulative costs of the alternatives would have been since implementation. This is the more relevant question since this cost will be compared to the cumulative costs of using institutional controls since implementation. This keeps the time scales more consistent.

6. Are there particular management actions that EGLE is interested in applicants evaluating?

Answer: EGLE does not have specific management actions in mind—this is likely going to be site specific.

7. What types of data, if any, have already been compiled on sites and would they be available to the selected project team?

Answer: EGLE is working to identify sources of data within EGLE to make sure they will be available to project team. EGLE keeps a database on remediation sites, although the level of detail in reporting does vary from case to case. Part of the challenge of picking the case study sites will be selecting a representative sample of cases, while taking data availability into account. We will also be happy to help the project team gain access to other data if we can. We do not expect the grantee to work with private corporations to try to get access to potentially proprietary information.

8. To what extent would data on actual costs be readily available through reporting/tracking reports/databases? Or is a key component of the project collecting this type of information from individual sites?

Answer: Any data that EGLE has is more likely to have data on *impacts*, not on actual costs. Therefore, a key component of this project will be conducting the analysis to determine what the costs have been.

9. Is the focus of the case studies only sites located in Michigan?

Answer: Yes, sites should be in Michigan. The funding source is intended to support research in Michigan, and EGLE would also be largely unable to provide data or context for sites outside of Michigan. The purpose of the study is to understand the impacts of Michigan's policies and decision making based on experiences with sites in Michigan.

10. A report entitled Risk-Based Management of Groundwater Contamination in Michigan published in April 2020 that appears to be the foundation for this RFP — would the team who wrote that report be available as a resource to the selected project team?

Answer: That report is tied to this project, but it is not necessarily the foundation for the RFP. Rather, the project idea came from an internal working group, and then a group of master's students from the University of Michigan completed a project to provide additional historical and legal context for the future study. EGLE staff will likely be able to answer any questions about the report, as we were closely involved in the master's student project, but it may also be possible to put applicants/awardees in contact with the team, if additional questions arise.