



BOARD OF DIRECTORS POLICY

ON

IMPLEMENTATION OF THE PROCUREMENT POLICY WITH REGARD TO RETROACTIVE CONTRACTS ON WHICH WORK HAS BEEN PERFORMED WITHOUT PRIOR AUTHORIZATION

Purpose

The purpose of this policy is to provide direction regarding the Great Lakes Water Authority (GLWA) Board of Director's (Board's) expectations related to eliminating the presentation of retroactive contracts to the Board, for approval, on which *Unauthorized* work has already been performed.

Definitions

The following terms used within this policy shall have the following meaning for purposes of this policy:

Authorization means the required approval as provided in GLWA's *Procurement Policy* for performance of *Services* on a *Contract*.

Board means the Board of Directors of GLWA

Contract shall have the meaning set forth in Section 1.8(o) of GLWA's *Procurement Policy* which defines *Contract* as; "[a] written agreement in which GLWA agrees to acquire Goods or Services from a Vendor in exchange for consideration. These written agreements specify each party's obligations in relation to the transaction. A Purchase Order is an acceptable form of Contract."

Emergency Procurement shall have the meaning set forth in Section 1.8(v) of GLWA's *Procurement Policy* which defines *Emergency Procurement* as, "[a] procurement method available when there exists an imminent threat of public health and welfare or to prevent an imminent violation of a required environmental permit or Administrative Consent Order under emergency conditions where Competitive Bidding and prior authorization would be impossible or impractical under the circumstances."

Procurement Policy means the *Procurement Policy* adopted by the GLWA Board of Director's on November 14, 2018, and as may be amended from time-to-time.

Project Manager Team Member means a GLWA Team Member who is responsible for managing the delivery of services under a *Contract*.

Retroactive Contract means a *Contract* which is approved after the *Term* to be approved has begun.



Services shall have the meaning set forth in Section 1.8(yy) of GLWA’s *Procurement Policy* which defines *Services* as; “[t]he performance of tasks to support GLWA. The performance of tasks shall be qualitatively different from anything necessarily done in connection with the sale of Goods or the performance of another service. *Services* include Professional *Services*, utilities, insurance, printing, information technology, janitorial, fleet management, construction, maintenance, real estate, legal, staffing services and any other services needed by GLWA.

Term means the length of a *Contract* including any renewals and/or extensions to that length.

Unauthorized means an act performed without the required *Authorization* as provided in GLWA’s *Procurement Policy* and includes unauthorized purchase subject to the *Procurement Policy* including but not limited to Section 10.2 of which states; “GLWA shall not be liable financially or otherwise responsible for any unauthorized procurements.” and Section 11.2.2 which states in part: “GLWA shall not be responsible for [g]oods or [s]ervices provided outside of an approved change order or contract amendment.”

Vendor means a contractor, supplier, affiliate, subsidiary, parent company or other business entity that provides Goods or *Services* to GLWA pursuant to its *Procurement Policy*.

Policy

All *Contracts* shall be *Authorized* in accordance with the *Procurement Policy*. Except for *Emergency Procurements*, *Services* performed with notice pursuant to the *Procurement Policy*, *Retroactive Contracts* are not *Authorized* under the *Procurement Policy*. Unless approved in accordance with the *Procurement Policy*, GLWA shall not be liable financially or otherwise responsible to a *Vendor* for any *Unauthorized Services* performed pursuant to a *Retroactive Contract*.

Within 30 days following the adoption of this Policy, management shall provide the Board a corrective action plan to address and eliminate the *Unauthorized* performance of *Services* on *Retroactive Contracts* and plan to conform to the *Procurement Policy* in that regard.

Eff.:

Rev.: