



Financial Services Audit Committee Communication

Date: February 26, 2021

To: Great Lakes Water Authority Audit Committee

From: Alicia Haskin, Management Professional – Intergovernmental Relations

Re: Fiscal Year 2018 Shared Services True-Up Update, FY 2019 and Beyond

Background: The Great Lakes Water Authority (GLWA) and the Detroit Water and Sewerage Department (DWSD) are parties to a Shared Services Agreement (the Agreement) dated December 1, 2015. This agreement provides the framework for shared services for the efficient operation of both entities.

On a monthly basis, an invoice is prepared. While the intent is for the monthly invoice to represent actual costs, the reality is that the timing of certain vendor invoices and accumulation of internal charges requires a “True-up” process. That being said, the intent is also for the parties to transmit payment on a monthly basis utilizing estimates for service provided. Section 5.1 of the Agreement states, “Payments for services shall be payable monthly.”

Analysis: The following is a summary of billings and payments to date as well as an update on the FY 2018 True-Up, FY 2019 True-Up Analysis, and activity beyond that point.

Summary of Shared Services Billings and Payments

GLWA and DWSD have been exchanging invoices for services since January 1, 2016, the start of the Agreement. A history of this activity and applicable payments is summarized in two tables. **Table 1 – GLWA as a Service Provider** reflects activity in which GLWA is the provider and is billing DWSD for services and **Table 2 – DWSD as a Service Provider** reflects activity in which DWSD is the provider and is billing GLWA for services.

Table 1 – GLWA as Service Provider (FY 2021 Billings through February 12, 2021)

Summary of Shared Services Billings and Payments				
Year	Total Billings	True Up Amount Actual/Potential	Total Payments	Unpaid Amount
FY2016	\$ 4,781,194	\$ 3,311,838	\$ 8,093,032	\$ -
FY2017	\$ 9,378,922	\$ 3,076,854	\$ 12,455,776	\$ -
FY2018*	\$ 7,477,571	\$ 399,512	\$ 1,997,286	\$ 5,879,797
FY2019**	\$ 8,933,462	\$ (2,363,150)	\$ 298,445	\$ 6,271,867
FY2020***	\$ 5,012,664	\$ -	\$ 158,789	\$ 4,853,875
FY2021	\$ 2,641,886	\$ -	\$ -	\$ 2,641,886
Subtotals	\$ 38,225,700	\$ 4,425,054	\$ 23,003,329	\$ 19,647,426
* All True Up calculations have been provided to DWSD and the True Up Amount is indicated.				
** There is one True Up calculation that is not complete representing less than 1% of the total True Up amount.				
*** True Up not complete at this time.				

Table 2 – DWSD as Service Provider (FY 2021 Billings through February 12, 2021)

Summary of Shared Services Billings and Payments				
Year	Total Billings	True Up Amount Actual/Potential	Total Payments	Unpaid Amount
FY2016	\$ 2,543,735	\$ 5,003,644	\$ 7,547,379	\$ -
FY2017	\$ 4,722,364	\$ (1,077,584)	\$ 3,644,780	\$ -
FY2018	\$ 5,308,539	\$ -	\$ 3,622,245	\$ 1,686,294
FY2019	\$ 4,175,695	\$ -	\$ -	\$ 4,175,695
FY2020	\$ 4,677,356	\$ -	\$ -	\$ 4,677,356
FY2021	\$ 1,020,000	\$ -	\$ 1,015,000	\$ 5,000
Subtotals	\$ 22,447,689	\$ 3,926,060	\$ 15,829,404	\$ 10,544,345

FY 2018 True-Up Status Update

The FY 2018 True-Up process has begun for both GLWA and DWSD Shared Services teams. GLWA has prepared and provided DWSD a True-Up for each Shared Service that GLWA provides. DWSD has provided the True-Ups in the table below.

Table 3 – FY 2018 GLWA as a Service Provider lists the status of each Shared Service based upon GLWA’s staff analysis. True-Ups are provided to DWSD as they are completed.

The update in **Table 3** represents the progress that GLWA as made on the True-Ups related to GLWA-provided services. DWSD has agreed to make payments for the Shared Services that have a portion to still be negotiated and agreed to by both parties. DWSD and GLWA Shared Service Teams continue to meet and work on a timeline for the completion of the FY

2018 True-Up. Meetings are held regularly to discuss the status of the completion and resolution of the True-Ups.

Table 4 – FY 2018 DWSD as a Service Provider lists the status of each Shared Service based upon information GLWA has received from DWSD. GLWA has agreed to make payments for the Shared Services that have a portion to still be negotiated and agreed to by both parties.

Table 3 – FY 2018 GLWA as Service Provider

GLWA Provider Shared Service Description	GLWA progress (1-3)	DWSD progress (4-7)	Date sent to DWSD OR expected date to be sent to DWSD
OPS-004 Water Quality	3	9	8/9/2019
OPS-005 Security	3	10	8/5/2019
OPS-005 Security Training	3	5	8/5/2019
OPS-008 Systems Control Center	3	10	11/15/2019
ITS-001 Retail AMR	3	9	10/29/2019
ITS-002 Customer Service Tech Suite	3	9	10/29/2019
ITS-003 See Click Fix	3	9	10/29/2019
ITS-004 WAM	3	9	10/29/2019
ITS-005 Mobile Work Force	3	9	11/6/2019
ITS-006 ESRI-GIS	3	9	10/29/2019
ITS-007 DADS	3	9	10/29/2019
ITS-008 TIBCO	3	9	10/29/2019
ITS-009 IT Infrastructure	3	9	11/6/2019
LS-001-A Joint Litigation and Defense, LS-001-B Environment, LS-002 Environment, LS-003 Contract Drafting	3	9	8/9/2019

Other items to bill not a defined shared service code			
DWSD-R Staff Training by GLWA	3	5	11/6/2019
Bank Fees	3	9	8/9/2019
Public Finance	3	9	11/4/2019

Provider status:

True up calculation not completed by Shared Services team.	1
True up calculation completed by Shared Services team; under review by Executive Leadership team.	2
True up calculation provided to subscriber.	3

Subscriber status:

True up not yet reviewed by Shared Services team.	4
True up being reviewed by Shared Services Team.	5
True up reviewed by Shared Services team; questions sent to provider.	6
True up needs to be escalated due to differing opinions.	7
True up review completed by Shared Services team; under review by Executive Leadership team.	8
True up completed and amount agreed upon or agreed upon difference.	9
Payment made but not complete due to outstanding amounts to be negotiated.	10
Shared Service not active at this time.	N/A

Table 4 – FY 2018 DWSD as Service Provider

DWSD/City of Detroit Provider Shared Service Description	DWSD progress (1-3)	GLWA Progress (4-7)
OPS-001 Fleet	3	9
OPS-002 Miss Dig	3	9
OPS-003 As Needed Field Services	3	9
OPS-006 Facilities	1	10
DoIT-001 Financial Information Services	N/A	N/A
DoIT-002 Radios	N/A	N/A
DoIT-003 Customer Service Technology Suite	3	9
Other items to bill not a defined shared service code		
Fuel	3	9
WAM Invoices	3	10
IT Help Desk	3	9

Fiscal Year 2019 and Beyond Update

The FY 2019 True-Up process is almost complete for the GLWA Shared Services team. GLWA has prepared and provided DWSD a True-Up for each Shared Service that GLWA provides. DWSD has provided

Table 5 – FY 2019 GLWA as a Service Provider lists the status of each Shared Service based upon GLWA’s staff analysis. True-Ups are provided to DWSD as they are completed.

The update in **Table 5** represents the progress that GLWA has made on the True-Ups related to GLWA-provided services. DWSD and GLWA Shared Service Teams will continue to meet and work on a timeline for the completion of the FY 2019 True-Up. Meetings are held regularly to discuss the status of the completion and resolution of the True-Ups.

Table 6 – FY 2018 DWSD as a Service Provider lists the status of each Shared Service based upon information GLWA has received from DWSD.

Table 5 – FY 2019 GLWA as Service Provider

GLWA Provider Shared Service Description	GLWA progress (1-3)	DWSD progress (4-7)	Date sent to DWSD OR expected date to be sent to DWSD
OPS-004 Water Quality	3	4	8/9/2019
OPS-005 Security	3	4	8/5/2019
OPS-005 Security Training	3	4	8/5/2019
OPS-008 Systems Control Center	2		2/26/2021
ITS-001 Retail AMR	3	4	10/29/2019
ITS-002 Customer Service Tech Suite	3	4	10/29/2019
ITS-003 See Click Fix	3	4	10/29/2019
ITS-004 WAM	3	4	10/29/2019
ITS-005 Mobile Work Force	3	4	11/6/2019
ITS-006 ESRI-GIS	3	4	10/29/2019
ITS-007 DADS	3	4	10/29/2019
ITS-008 TIBCO	3	4	10/29/2019
ITS-009 IT Infrastructure	2		2/26/2021
LS-001-A Joint Litigation and Defense, LS-001-B Environment, LS-002 Environment, LS-003 Contract Drafting	N/A		
Other items to bill not a defined shared service code			
DWSD-R Staff Training by GLWA	3	4	11/6/2019
Bank Fees	3	9	8/9/2019
Public Finance	3	4	11/4/2019

Table 6 – FY 2019 DWSD as Service Provider

DWSD/City of Detroit Provider Shared Service Description	DWSD progress (1-3)	GLWA Progress (4-7)
OPS-001 Fleet	1	4
OPS-002 Miss Dig	3	9
OPS-003 As Needed Field Services	3	9
OPS-006 Facilities	1	4
DoIT-001 Financial Information Services	N/A	N/A
DoIT-002 Radios	N/A	N/A
DoIT-003 Customer Service Technology Suite	1	4
Other items to bill not a defined shared service		
Fuel	1	4
WAM Invoices	3	6

Table 7 – Shared Services Terminations and Updated Scope of Service lists the scope of each Shared Service based upon GLWA’s analysis. There have been seven Shared Services terminated and another five for which GLWA awaiting termination notices.

Table 7 – Shared Service Terminations and Updated Scope of Service

Shared Service	Description	Provider	Scope of Service
ITS-004	WAM	GLWA	**Termination TBD
ITS-005	Mobile Workforce Management	GLWA	**Termination TBD
ITS-007	DADS	GLWA	**Termination TBD
ITS-008	Tibco	GLWA	**Termination TBD
ITS-009	Infrastructure	GLWA	**Partial 3/1/19; Final TBD
OPS-005	Security and Integrity	GLWA	*Badging and Fusion Center
OPS-002	MISS DIG	DWSD	To terminate on 3/1/2021
OPS-003	As Needed Field Service	DWSD	No changes
OPS-006	Facilities	DWSD	No changes
OPS-008	Systems Control	GLWA	No changes
DoIT-001	Financial Information System	City of Detroit	No changes
DoIT-002	Radios	City of Detroit	No changes
DoIT-003	Customer Service Tech Suite	City of Detroit	No changes
Training	Training	GLWA	No changes
LS-001 - LS-003	Legal Services	Both	No changes
OPS-001	Fleet	DWSD	Terminated on 6/30/2020
ITS-002	Customer Service Tech Suite	GLWA	Terminated on 10/1/18
ITS-001	Retail AMR	GLWA	Terminated on 6/30/19
ITS-003	See Click Fix	GLWA	Terminated on 12/31/18
ITS-006	ESRI GIS	GLWA	Terminated on 6/30/19
OPS-004	Water Quality	GLWA	Terminated on 6/30/19
OPS-007	WWTP IWC Underground Storage Tank	N/A - not needed	
PRO-001	Applications Analyst	N/A - not needed	

*OPS-005 Terminated on 6/30/17. However, Badging and Fusion Center costs continue to be provided.

**Formal termination notice has not been received.

Proposed Action: Receive and file this report.