



Financial Services Audit Committee Communication

Date: March 15, 2019

To: Great Lakes Water Authority Audit Committee

From: Alicia Haskin, Management Professional – Intergovernmental Relations

Re: Update: GLWA and DWSD Shared Services True-Up Status FY 2017

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.

Each month invoices are prepared based on an agreed-upon annual budget. 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. This process has proven to be a very labor-intensive; however, the goal is to condense the true-up timeline given the experience gained and improvements implemented each fiscal year.

The Shared Service Agreement (Section 5.1) states:

“Each invoice, whether for Services provided regularly or “as-needed,” shall itemize the costs and charges by Services provided under each Service Delivery Schedule and shall provide sufficient detail to the Subscribing Party to identify the Services performed and the basis for the charges. A Performing Party may only charge the Service Costs for Services provided.”

In addition, the parties have come to realize that an exact itemization generates a level of detailed analysis that is not cost-effective to produce. The data and experience garnered from the first three years of the program are leading to a more efficient method of calculating costs while staying true to the intent of Section 5.1 above.

Fiscal Year 2017

Tables 1, 2 and 3 below identify the current review status for each Shared Service within the scope of the FY2017 true-up based upon DWSD and GLWA staff analysis. Preparation of this update has been a joint effort between DWSD and GLWA to ensure that both parties are aware of the review status. There are still ongoing reviews and discussions regarding the true-up calculations provided by each party.

Analysis: DWSD and GLWA Shared Services Teams are meeting every two weeks to bring the FY 2017 Shared Services true up to resolution. At this time, all Shared Services true ups have been provided to the other party. All Shared Service True Ups are in review by the Shared Services Teams.

Table 1: Legend for Review Status for Shared Services FY 2017 True-Up

Provider status:

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

Subscriber status:

4	True up not yet reviewed by Shared Services team.
5	True up being reviewed by Shared Services Team.
6	True up reviewed by Shared Services team; questions sent to provider.
7	True up needs to be escalated due to differing opinions.
8	True up review completed by Shared Services team; under review by Executive Leadership team.
9	True up completed and amount agreed upon or agreed upon difference.

N/A	Shared Service not active at this time.
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Table 2: Status of Shared Services Provided by DWSD and Billed to GLWA

Shared Service Description	DWSD (Provider) progress	GLWA (Subscriber) progress
OPS-001 Fleet	3	6
OPS-002 Miss Dig	3	8
OPS-003 As Needed Field Services	3	5
OPS-006 Facilities	3	6
DoIT-001 Financial Information Services	N/A	N/A
DoIT-002 Radios	N/A	N/A
DoIT-003 Customer Service Technology Suite	3	5

Other items to bill not a defined shared service code	DWSD (Provider) progress	GLWA (Subscriber) progress
Fuel	3	6
WAM Invoices	3	9

Table 3: Status of Shared Services Provided by GLWA and Billed to DWSD

Shared Service Description	GLWA (Provider) progress	DWSD (Subscriber) progress
OPS-002 Miss Dig	3	8
OPS-004 Water Quality	3	8
OPS-005 Security	3	8
OPS-005 Security Training	3	8
OPS-006 Facilities	3	8
OPS-008 Systems Control Center	3	6
ITS-001 Retail AMR	3	6
ITS-002 Customer Service Tech Suite	3	6
ITS-003 See Click Fix	3	6
ITS-004 WAM	3	6
ITS-005 Mobile Work Force	3	6
ITS-006 ESRI-GIS	3	6
ITS-007 DADS	3	6
ITS-008 TIBCO	3	6
ITS-009 IT Infrastructure	3	6
LS-001-A Joint Litigation and Defense, LS-001-B Environment, LS-002 Environment, LS-003 Contract Drafting	3	8
Other items to bill not a defined shared service code	GLWA (Provider) progress	DWSD (Subscriber) progress
DWSD-R Staff Training by GLWA	3	5
Bank Fees	3	8
Lakeshore Invoices	3	8
Public Finance	3	6

Proposed Action: Receive and file report.