



Financial Services Audit Committee Communication

Date: April 24, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Water Residential Assistance Program Evaluation/Redesign & Request for Proposal Process

Background: The Water Residential Assistance Program (“WRAP”) provides sustainable funding for qualifying low-income residents served by the Great Lakes Water Authority’s (“GLWA”) customers. The program is currently funded by GLWA at an amount equal to 0.5 percent of budgeted revenues with the budgeted FY 2020 funding level of \$4.9 million combined for water and sewer services.

The scope of funding uses includes a) payment assistance and b) water audit and water conservation measures. Eligible residential customers with a past due bill and/or who are in active shut off can receive assistance with paying down arrears and receive \$25 toward monthly bill payment assistance annually up to \$1,000. High volume water users can receive a one-time home audit and home water conservation services of an average \$1,500 per household. To participate in WRAP, an applicant must have household gross incomes at or below 200% of the federal poverty income thresholds. Customers with water usage at or above 120% of the average residential usage are eligible to participate in a water audit and install water conservation measures. WRAP participants are also encouraged to participate in both financial coaching and water conservation workshops as well as other support services. The program is administered by Wayne Metro Community Action Agency (“Wayne Metro”), a nonprofit agency.

The WRAP began providing assistance to residents in the GLWA service area on March 1, 2016 and as of October 31, 2019 has committed over \$14.2 million in assistance and conservation funds to over 19,700 qualified WRAP participants. WRAP has the potential to serve over 100 communities within the GLWA service area, but in order to assist qualified households, each community must opt into the program and sign a Memorandum of Agreement (MOA) with Wayne Metro. To date, 77 communities have opted into WRAP.

Analysis: The current contract for Water Residential Assistance Program Third Party Administrator (CS-010) with Wayne Metro will expire on December 31, 2020. There are two

key tasks to accomplish prior to the expiration of that contract. Both tasks rely heavily on stakeholder engagement.

Task 1 - Program Evaluation and Redesign

Conduct an evaluation of the current program to evaluate redesign of some elements to a) strengthen program effectiveness, b) develop scope and performance criteria for WRAP program provider performance, and c) better define and conduct program evaluation.

Now that we have four years of experience with WRAP, expanded program evaluation is an area of desired enhancement to the management of WRAP. This will rely upon a consultant with experience in this unique area of expertise. There are several Michigan based firms that provide this service. To illustrate the concept behind this approach, we have provided an article from The Pew Charitable Trust, *Targeted Evaluations Can Help Policymakers Set Priorities; A policymaker's guide to building evaluation capacity* (attached).

Task 2 - Conduct Structured Request for Proposal Process for Core WRAP Administration

The objective is to secure WRAP provider(s) with a scope and performance criteria informed by Task 1.

Timeline

See attached timeline for both tasks.

Budget Impact: None.

Proposed Action: Receive and file the report.

**Great Lakes Water Authority
Water Residential Assistance Program
Project Timeline as of April 23, 2020**

| | <u>Week of:</u> |
|--|-----------------|
| Task 1 - Program Evaluation and Redesign (Invitation to Quote) | |
| Phase 0 - Pre-Procurement | 4/27/2020 |
| Phase 1 - Solicitation Development | 4/27/2020 |
| Phase 2 - Advertisement | 5/4/2020 |
| Phase 3 - Evaluation | 5/25/2020 |
| Phase 4 - Contract Development | 6/1/2020 |
| Phase 5 - Board Requirements | n/a |
| Phase 6 - Start Work | 6/15/2020 |
| Task 2 – Core WRAP Administration (Structured Request for Proposal Process) | |
| Phase 0 - Pre-Procurement | |
| Develop RFP Background | 5/11/2020 |
| Focus Group: Board | 6/22/2020 |
| Focus Group: Member Partners | 6/22/2020 |
| Focus Group: Others | 6/29/2020 |
| Program Design Report to Stakeholders | 7/20/2020 |
| Phase 1 - Solicitation Development | |
| Draft 1 - Front End/Background | 7/6/2020 |
| Draft 2 - post Stakeholder Report | 7/27/2020 |
| Phase 2 - Advertisement | |
| Finalize RFP | 8/10/2020 |
| Advertise date for RFP | 8/10/2020 |
| Questions due | 8/24/2020 |
| Pre-proposal conference | 8/31/2020 |
| Proposals due | 9/14/2020 |
| Phase 3 - Evaluation | |
| Minimum qualifications verified | 9/14/2020 |
| Evaluations due | 9/21/2020 |
| Oral interviews | 9/28/2020 |
| Additional questions compiled | 9/28/2020 |
| Responses from proposers | 9/28/2020 |
| Responses distributed to Eval Team | 9/28/2020 |
| Evaluation Team final selection | 10/5/2020 |
| Phase 4 - Contract Development | |
| Negotiation | 10/5/2020 |
| Preliminary Draft | 10/5/2020 |
| Final Draft | 10/19/2020 |
| Phase 5 - Board Requirements | |
| Prepare summary documents | 10/5/2020 |
| Audit Committee Review | 10/16/2020 |
| Board review/requested approval | 10/28/2020 |
| Contract award | |
| Phase 6 - Project Execution and Management | |
| Contract execution | 11/2/2020 |
| Start work | 11/16/2020 |