



Financial Services Audit Committee Communication

Date: January 17, 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.

On a monthly basis, an invoice is 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. That being said, the intent is to condense the true-up timeline each fiscal year.

The Shared Service Agreement (Section 5.1) states that:

“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.

Analysis: The following is an update of the FY 2017 True-Up status.

Fiscal Year 2017

The table on the next page lists the current amount to be billed for each Shared Service based upon DWSD's and GLWA's staff analyses. There are still ongoing reviews and discussions regarding the True-Up calculations provided to each other.

DWSD and GLWA Shared Services Teams are having meetings every two weeks to bring the FY 2017 Shared Services True Up to a resolution.

The highlighted Shared Services True-Ups have not been received from City of Detroit. The amounts reported are the annualized amounts paid in FY2016 for these Shared Services.

Legend for Percentage of Review Completed

100%	True up data has been exchanged. Both parties agree.
75%	True up data has been exchanged and discussions have started.
50%	True up data exchanged but review not started.
25%	Staff in process of getting final approval from respective Executive Leadership Team to transmit. True up data not exchanged yet.
0%	No true up data available at this time.

Proposed Action: Receive and file report.

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**Schedule of True Up Billings
As of January 16, 2019**

GLWA Provider Shared Service Description	Percentage of Review Completed by DWSD	GLWA Total Billings to DWSD	DWSD/City of Detroit Provider Shared Service Description	Percentage of Review Completed by GLWA	DWSD Total Billings to GLWA
OPS-002 Miss Dig	75%	12,470	OPS-001 Fleet	75%	\$ 1,366,498
OPS-004 Water Quality	75%	140,933	OPS-002 Miss Dig	50%	54,506
OPS-005 Security	75%	810,863	OPS-003 As Needed Field Services	50%	113,584
OPS-005 Security Training	75%	7,990	OPS-006 Facilities	75%	2,249,678
OPS-006 Facilities	25%	4,337	DoIT-001 Financial Information Services	0%	150,000
OPS-008 Systems Control Center	50%	984,242	DoIT-002 Radios	0%	150,000
ITS-001 Retail AMR	25%	387,408	DoIT-003 Customer Service Technology Suite	0%	44,000
ITS-002 Customer Service Tech Suite	25%	41,179			
ITS-003 See Click Fix	25%	200,789			
ITS-004 WAM	25%	1,473,943			
ITS-005 Mobile Work Force	25%	320,994			
ITS-006 ESRI-GIS	25%	1,201,056			
ITS-007 DADS	25%	94,754			
ITS-008 TIBCO	25%	122,874			
ITS-009 IT Infrastructure	25%	6,897,958			
LS-001-A Joint Litigation and Defense, LS-001-B Environment, LS-002 Environment, LS-003 Contract Drafting	50%	8,043			
Subtotals		12,709,831	Subtotals		\$ 4,128,266

Other items to bill not a defined shared service code			Other items to bill not a defined shared service code		
DWSD-R Staff Training by GLWA	25%	6,717	Fuel	50%	\$ 88,211
Bank Fees	50%	907,832	WAM Invoices	50%	290,347
Lakeshore Invoices	50%	676,875			
Public Finance	25%	12,723			
Subtotal		1,604,146	Subtotal		378,558
Grand Total		14,313,978	Grand Total		\$ 4,506,824