



Financial Services Audit Committee Communication

Date: February 21, 2020

To: Great Lakes Water Authority Audit Committee

From: Jon Wheatley, Public Finance Manager

Re: Water Residential Assistance Program Contract CS-010 Update

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 approximately \$5 million combined for water and sewer services.

The scope of funding uses includes payment assistance and 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 in an amount not to exceed \$700 per year and receive \$25 toward monthly bill payment assistance annually up to \$300. High volume water users can receive a one-time home audit and home water conservation services up to \$1,000.

To participate in WRAP, an applicant must have household gross incomes at or below 150% 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 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 19,000 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 the contracted program administrator. To date, 76 communities have opted into WRAP.

Rather than administering the service with clients directly, GLWA has utilized a model of partnering with a nonprofit entity who provides expertise and resources that has resulted in an effective program. Since February 22, 2016, Wayne Metro Community Action Agency (“Wayne Metro”), a nonprofit agency has provided that service. The current contract with

Wayne Metro expires on June 30, 2020. GLWA's procurement policy encourages competitive solicitation of all services and goods on a regular basis. Given that this contract will approach 4.5 years on June 30, 2020, it is recommended that the service would benefit from a competitive procurement. The existing agency and others would be invited to participate in a request for proposal process. Staff is advising the Audit Committee of the intent to solicit proposals as a) this service is unique, b) if another provider is selected, the start-up/transition time may require an extension as summer 2020 may not be ideal given the nature of the client data transfer, and c) identifying a timeline that least impacts WRAP client services.

Justification: The current contract for Water Residential Assistance Program Third Party Administrator (CS-010) with Wayne Metro will expire on June 30, 2020. Below is a summary of the original contract amount and the change orders. To date GLWA has extended the contract twice and has increased the original contract amount by \$1,430,900.

Contract Dates:

Original Start Work Date: March 1, 2016
Current Contract End Date: June 30, 2018
Change Order 1 Contract End Date: June 30, 2018
Change Order 2 Contract End Date: June 30, 2020

Contract Estimate

Original Contract Price: \$825,000.00
Change Order No. 1: \$480,900.00
Change Order No. 2: \$950,000.00
New Contract Total: \$2,255,900.00

Budget Impact: None.

Proposed Action: Receive and file this report.