



## Financial Services Audit Committee Communication

**Date:** September 25, 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 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 2021 funding level of \$6.1 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 March 1, 2020 has committed over \$15.1 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 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.

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: evaluation of the current program and

solicitation of proposals for program continuation. Both tasks rely heavily on stakeholder engagement.

**Analysis:** Before developing the request for proposals for the WRAP Administrator, GLWA first solicited quotations for a WRAP Advisor to evaluate the current program. The purpose of the WRAP Advisor engagement is to a) strengthen program effectiveness, b) develop scope and performance criteria for WRAP program provider performance, and c) better define and conduct program evaluation.

**Consultant Selection-** To evaluate the current program, GLWA engaged Public Sector Consultants (PSC) to serve as the WRAP Advisor. PSC is an objective, nonpartisan research and consulting firm based in Lansing and Detroit. They have been conducting program evaluations for more than 20 years and are well versed in a variety of process and impact evaluation methods, including developing theories of change and logic models, qualitative and quantitative data collection using tools such as focus groups and multimode surveys, in-depth informant interviews, cost-effectiveness analyses, and comprehensive data analyses to yield deep insights and actionable findings.

**Work Plan Update-** PSC began work on July 6, 2020 and since that time has completed meetings with GLWA's Chief Financial Officer and Finance staff, Detroit Water and Sewerage Department's (DWSD) Chief Financial Officer and Finance staff, Wayne Metro, GLWA's Chief Executive Officer and DWSD's Director and their General Counsel, individual GLWA Board Members and a focus group for GLWA Member Partners. These meetings, and the feedback gathered, will be the basis for PSC's draft report and recommendations which is scheduled to be completed the week of September 28, 2020. A more detailed timeline is included in this report for these meetings.

At the request of GLWA management, PSC has increased the scope of work on the WRAP evaluation engagement. The increased scope includes additional meetings with DWSD staff, individual Member Partner communities, original program development stakeholders, each of the county community agencies that support the local administration of WRAP, and others. The additional stakeholder meetings are designed to gain further insight into the current administrative requirements for WRAP as well as potential ways to streamline these requirements going forward.

As a result of the increased scope of work, PSC has submitted a revised budget for the engagement. The original budget for the WRAP evaluation was \$50,000, for the initial scope of work. With the added stakeholder meetings, this will increase the project budget by \$15,150, to \$65,150. Included with this memo is the September 9, 2020 letter from PSC, which outlines the change in scope and fees for the project. This contract is within the scope for administrative adjustment.

Once the evaluation of WRAP is complete, PSC will assist GLWA in drafting the scope of services for the WRAP Administrator Request for Proposal (RFP) with the recommended program changes and reporting metrics. Based on the updated time schedule, the WRAP Administrator RFP will be advertised the week of October 12, 2020 the selected WRAP Administrator will start the last week of December 2020.

**Timeline**

See attached timeline for both tasks, as updated through September 11, 2020. It should be further noted that this program evaluation has provided tremendous insight into alternative approaches and some early thoughts into realigning the delivery of WRAP which may further impact the approach and schedule.

**Budget Impact:** None.

**Proposed Action:** Receive and file the report.

**Great Lakes Water Authority  
Water Residential Assistance Program  
Project Timeline as of September 11, 2020**

|                                                                                    | <u>WRAP Program<br/>Advisor Engaged?</u> | <u>Original<br/>Week of:</u> | <u>Updated<br/>Week of:</u> |
|------------------------------------------------------------------------------------|------------------------------------------|------------------------------|-----------------------------|
| <b>Task 1 - Program Evaluation and Redesign (Invitation to Quote)</b>              |                                          |                              |                             |
| Phase 0 - Pre-Procurement                                                          |                                          | 4/27/2020                    | 4/27/2020                   |
| Phase 1 - Solicitation Development                                                 |                                          | 4/27/2020                    | 4/27/2020                   |
| Phase 2A - Advertisement                                                           |                                          | 5/11/2020                    | 5/11/2020                   |
| Phase 2B - Proposals Due                                                           |                                          | 5/25/2020                    | 5/25/2020                   |
| Phase 3 - Evaluation                                                               |                                          | 6/1/2020                     | 6/1/2020                    |
| Phase 4 - Contract Development                                                     |                                          | 6/8/2020                     | 6/8/2020                    |
| Phase 5 - Board Requirements                                                       |                                          | n/a                          | n/a                         |
| Phase 6 - Start Work                                                               | Yes                                      | 6/21/2020                    | 7/6/2020                    |
| <b>Task 2 - Core WRAP Administration (Structured Request for Proposal Process)</b> |                                          |                              |                             |
| Phase 0 - Pre-Procurement                                                          |                                          |                              |                             |
| Develop RFP Background                                                             |                                          | 5/11/2020                    | 5/11/2020                   |
| GLWA Internal Kick-off Call                                                        | Yes                                      | N/A                          | 7/27/2020 *                 |
| Kick-off Meeting with Bridgeport- GLWA Member Partner Outreach                     | Yes                                      | N/A                          | 7/30/2020 *                 |
| Kick-off Meeting with GLWA CFO/Finance and DWSD CFO/Finance                        | Yes                                      | N/A                          | 8/6/2020 *                  |
| Meeting with GLWA 3rd Party WRAP Administrator                                     | Yes                                      | N/A                          | 8/6/2020 *                  |
| Kick-off Meeting with GLWA CEO/DWSD Director                                       | Yes                                      | N/A                          | 8/14/2020 *                 |
| Focus Group: Board Members                                                         | Yes                                      | 6/28/2020                    | 8/17/2020                   |
| Focus Group: Member Partners                                                       | Yes                                      | 6/28/2020                    | 8/20/2020 *                 |
| Focus Group: County Community Agencies                                             | Yes                                      | N/A                          | 9/7/2020                    |
| Focus Group: Original Program Designers                                            | Yes                                      | 7/5/2020                     | TBD                         |
| Program Design Report to Stakeholders                                              | Yes                                      | 7/26/2020                    | 9/28/2020                   |
| Phase 1 - Solicitation Development                                                 |                                          |                              |                             |
| Draft 1 - Front End/Background                                                     | Yes                                      | 7/12/2020                    | 9/28/2020                   |
| Draft 2 - post Stakeholder Report                                                  | Yes                                      | 8/2/2020                     | 10/5/2020                   |
| Phase 2 - Advertisement                                                            |                                          |                              |                             |
| Finalize RFP                                                                       |                                          | 8/16/2020                    | 10/12/2020                  |
| Advertise date for RFP                                                             |                                          | 8/16/2020                    | 10/12/2020                  |
| Questions due                                                                      |                                          | 8/30/2020                    | 10/26/2020                  |
| Pre-proposal conference                                                            |                                          | 9/6/2020                     | 11/2/2020                   |
| Proposals due                                                                      |                                          | 9/20/2020                    | 11/16/2020                  |
| Phase 3 - Evaluation                                                               |                                          |                              |                             |
| Minimum qualifications verified                                                    |                                          | 9/20/2020                    | 11/16/2020                  |
| Evaluations due                                                                    |                                          | 9/27/2020                    | 11/23/2020                  |
| Oral interviews                                                                    |                                          | 10/4/2020                    | 11/30/2020                  |
| Additional questions compiled                                                      |                                          | 10/4/2020                    | 11/30/2020                  |
| Responses from proposers                                                           |                                          | 10/4/2020                    | 11/30/2020                  |
| Responses distributed to Eval Team                                                 |                                          | 10/4/2020                    | 11/30/2020                  |
| Evaluation Team final selection                                                    |                                          | 10/11/2020                   | 12/7/2020                   |
| Phase 4 - Contract Development                                                     |                                          |                              |                             |
| Negotiation                                                                        |                                          | 10/11/2020                   | 12/7/2020                   |
| Preliminary Draft                                                                  |                                          | 10/11/2020                   | 12/7/2020                   |
| Final Draft                                                                        |                                          | 10/25/2020                   | 12/14/2020                  |
| Phase 5 - Board Requirements                                                       |                                          |                              |                             |
| Prepare summary documents                                                          |                                          | 10/11/2020                   | 12/7/2020                   |
| Audit Committee Review                                                             |                                          | 10/16/2020                   | 12/18/2020                  |
| Board review/requested approval                                                    |                                          | 10/28/2020                   | 12/23/2020                  |
| Contract award                                                                     |                                          |                              |                             |
| Phase 6 - Project Execution and Management                                         |                                          |                              |                             |
| Contract execution                                                                 |                                          | 11/2/2020                    | 12/28/2020                  |
| Start work                                                                         |                                          | 11/16/2020                   | 12/29/2020                  |

\* Actual meeting date