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Sponsors: Nicolette Bateson

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Date	Ver.	Action By	Action	Result
6/23/2021	1	Board of Directors	Approved	Pass

Proposed Contract Amendment with Wayne Metro for WRAP Program Administration

Agenda of: June 23, 2021

Item No.: **2021-246**

Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer

DATE: June 23, 2021

RE: Proposed Contract Amendment with Wayne Metro for WRAP Program Administration

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors of the Great Lakes Water Authority, **approves the Proposed Contract Amendment with Wayne Metro for WRAP Program Administration**; and authorizes the CEO to take such action as may be necessary to accomplish the intent of this vote.

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 funded by GLWA at an amount equal to 0.5 percent of budgeted revenues for the Regional System and not less than 0.5 percent, but not greater than 1.0 percent of budgeted revenues for the DWSD Local System. The budgeted WRAP funding for FY 2022 \$6.2 million combined for direct assistance and conservation services.

The WRAP began assisting residents in the GLWA service area on March 1, 2016. With Wayne Metro as the program administrator, the WRAP has committed over \$20.9 million in assistance and conservation funds to qualified participants through March 31, 2021. WRAP has the potential to serve over 100 communities within the GLWA service area.

The current contract with Wayne Metro (GLWA CS-010) expires on June 30, 2021 and has been in place since February 2016. In March 2020, GLWA engaged Public Sector Consultants (PSC) to evaluate the WRAP program through a series of one on one meetings and focus groups with various GLWA stakeholders. PSC’s evaluation has resulted in a number of recommendations to change the delivery model for WRAP. The timeline for review and implementation of these recommendations extends beyond the current contract expiration date of June 30, 2021.

In order to accommodate the transition time needed to execute the proposed recommendations, GLWA is recommending the extension of the current contract (GLWA CS-010) through February 28, 2022 through a contract amendment (Change Order 5). The current status of GLWA CS-010 is summarized in *Attachment 1*.

JUSTIFICATION

The contract with Wayne Metro specifies the not-to-exceed administrative fee amount based on the anticipated allocation of assistance dollars to each county. Change order #5 extends the GLWA CS-010 contract 8 months to February 28, 2022 and increases the contract amount based on the total budgeted WRAP funding amounts shown in *Attachment 2*.

Wayne Metro will continue to administer WRAP services for Genesee, Monroe, Wayne, and Washtenaw counties as well as assist GLWA in the review, implementation, and transition of any program changes. Macomb Community Action Agency and Oakland Livingston Human Service Agency will be recognized as sub-recipients under Change order #5 and will be responsible for the program administration and implementation in their local communities. Wayne Metro and each sub-recipient will be paid their administration fee directly from GLWA. The changes for the WRAP program are summarized below and in the attached presentation from PSC.

At a summary level, as of July 1, 2021, there will be an increase in effort for OLHSA and MCAA as subrecipients of Wayne Metro (thereby removing these tasks from WM’s direct responsibility in

restructure of the existing contract).

1. Resident intake and eligibility verification
2. Marketing to residents
3. Member Partner outreach and engagement
4. Conservation services from intake, audit, and home plumbing repairs
5. Bill assistance processing from intake through payment to local utility
6. Coordination of other wrap around services that complement WRAP
7. Direct accountability and reporting to GLWA for funds expended, services provided, and marketing efforts
8. Submit marketing plan for approval to GLWA program manager
9. Participation in WRAP partnership meetings with GLWA, WM, and other county agencies
10. Compensation for direct assistance services
 - a. Assistance program monthly base fee: \$1,000 per month
 - b. Assistance Program New Enrollee Fee: Flat fee of \$70 each
 - c. Conservation Program New Enrollee Fee: Flat fee of \$100 each
 - d. The above program fees will be paid by GLWA directly to subrecipients monthly based upon activity report submitted to GLWA and contract holder (Wayne Metro)
 - e. Conservation and Plumbing repairs:
 - i. Home Water Audit: Fee schedule to be submitted to Assistance Program Manager in advance of services being provided for approval
 - ii. Contracted Services: Licensed plumber or contractor cost
 - iii. Self-performed services: Fee schedule to be submitted to Assistance Program Manager in advance of services being provided for approval
11. Annual marketing budget: Up to \$10,000 with \$5,000 being disbursed by GLWA July 1, 2021 and second disbursement on January 1, 2022 after review of marketing efforts and related costs with approval from Assistance Program Manager.
12. GLWA will not provide additional administrative funds after the 12% cap has been met, however, CAA's will continue to provide assistance services until allocated program funding is fully utilized. Additional administrative funding may be provided through a reallocation process.

Similarly, as of July 1, 2021, the compensation for Wayne Metro is being restructured to achieve a blend of residents served and ensuring that program resources are fully utilized. Note that the structure for Wayne Metro is different as the scale of the program is materially larger.

1. Compensation for direct assistance services
 - a. Assistance Program New Enrollee Fee: Flat fee of \$80 each
 - b. Conservation Program New Enrollee Fee: Flat fee of \$100 each
2. Conservation and Plumbing repairs:
 - a. Home Water Audit: Fee schedule to be submitted to Assistance Program Manager in advance of services being provided for approval
 - b. Contracted Services: Licensed plumber or contractor cost

- c. Self-performed services: Fee schedule to be submitted to Assistance Program Manager in advance of services being provided for approval

WRAP Program Funding Allocation

WRAP has historically provided 80% of available funds for direct bill assistance and 20% of funds for conservation services. Recognizing the continue influx of other assistance dollars, GLWA is considering a process to reallocate program funding between direct assistance and conservation. This process will be defined by the Assistance Program Manager and managed during the fiscal year.

BUDGET IMPACT

This contract extension request for funding of the proposed administration fees for WRAP are included in the budgeted WRAP funding each year and does not impact the FY2022 budget.

COMMITTEE REVIEW

The Audit Committee unanimously recommends the GLWA Board approve a resolution to enter into Change Order No. 5 of Contract No. GLWA-CS-010, Water Residential Assistance Program (WRAP) with Wayne Metropolitan Community Action Agency, a cost increase of \$460,000.00, for a total cost not to exceed \$3,269,000.00 and a time extension of 8 months for a total contract duration of 72 months through February 28, 2022.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.