



Legislation Details (With Text)

File #: 2018-952 **Version:** 1 **Name:**

Type: Policy **Status:** New Business

File created: 10/5/2018 **In control:** Board of Directors

On agenda: 10/24/2018 **Final action:**

Title: Discussion-Amended GLWA Procurement Policy

Sponsors: Nicolette Bateson

Indexes: Finance

Code sections:

Attachments: 1. 2018-952 Procurement Policy Review Binder, 2. Addendum - Board Member Procurement Policy Review Comments and Responses 10.24.18, 3. Board Member Procurement Policy Review Comments and Responses 10.23.18

Date	Ver.	Action By	Action	Result
10/24/2018	1	Board of Directors	No Action Taken	

Discussion-Amended GLWA Procurement Policy

Agenda of: October 24, 2018
Item No.: **2018-952**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: October 24, 2018

RE: **Discussion: Proposed, Amended GLWA Procurement Policy**

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer & Treasurer, The Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **reviews and provides feedback to staff related to a Proposed, Amended GLWA Procurement Policy with Board review on October 24, 2018 and potential subsequent approval of a revised GLWA Procurement Policy on November 14, 2018 with an effective date immediately thereafter** and

authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The GLWA Board of Directors approved its first Procurement Policy in October 23, 2015, pursuant to the By-Laws, Article XIII, Section 2. The approved Policy, Section 1.5, calls for a review of the Policy every two years.

In conducting the review of the 2015 Policy, a consulting firm associated with the National Institute for Government Purchasing (NIGP) was hired. This professional services contract with Periscope Intermediate Corp. was executed to review GLWA's Procurement Policy and advise on best practices. They participated in individual Board member meetings, as well as focus groups, along with GLWA staff.

In addition to the one-on-one meetings with Board members, the focus groups were held from February through April 2018, to obtain feedback from those that have an interest in the Policy. The focus groups were (1) Executive Leadership Team (ELT); (2) GLWA Procurement Team; (3) Vendors; (4) External Subject Matter Experts; and (5) GLWA One Water Partnership members. Comments were also received from Water, Wastewater, Planning, and Information Technology managers.

Expert knowledge from Periscope and focus group comments were taken into consideration in drafting and amended Policy. This project to revise the policy was concurrent with a significant procurement group restructuring and development of new business processes. This resulted in a similar restructuring of the Procurement Policy to align with the new processes. The Procurement Procedures, in the process of being reviewed, will follow the same workflow as the policy. The focus of this amendment is to continue transparency, fairness, and ethics throughout each section. It must also be noted that the Draft Revised Policy takes into consideration Article 9K and 9L of the GLWA Articles of Incorporation (Articles are online at <https://www.glwater.org/investor-relations/>). The Board approved an amendment to the original Procurement Policy on June 20, 2018. This amendment refers to the Federal Uniform Guidance Procurement Standards for federally funded projects and is Section 12.2 in this Amended Policy. Finally, the Chief Administrative and Compliance Officer and General Counsel have made their necessary edits after thoroughly reviewing the document.

JUSTIFICATION

The Great Lakes Water Authority Board of Directors is being asked to approve an amended Procurement Policy, in accordance with Section 1.5 of the Procurement Policy, first approved in 2015. Section 1.5 calls for the Audit Committee to review and approve amendments. However, in accordance with Board member requests, the Board as a Committee of the Whole is being asked to review the proposed, amended Policy before approval. Furthermore, language has been added to request full Board approval for all future procurement policy amendments.

DOCUMENTS

The following documents are for your information, review, and comments:

- 1) Current Board Policy
- 2) Current Board Policy blacklined
- 3) Clean version of the Proposed, Amended Policy
- 4) Current Policy to Proposed, Amended Procurement Policy Crosswalk (Compares each section of the Current Policy to each section of the Proposed, Amended Policy)

SPECIAL CONSIDERATION

There has been recent Board discussion regarding Michigan based vendors, notably at the Board's meeting on September 26, 2018. The attached Proposed, Amended Policy does not allow for special consideration of all Michigan based vendors. However, the following is for the Board's consideration.

- 1) Attached is draft Michigan Based language and how this language would, potentially, fit within the Proposed, Amended Procurement Policy. (a) Michigan Based Vendor is defined in a new definition; and (b) Added language to Section 5. The new potential language is highlighted in yellow.
- 2) The following GLWA Articles of Incorporation, Article 9K (3) should be taken into consideration and states "a requirement for the Authority to use its best efforts within the competitive solicitation requirement of these Articles to achieve fairness in the number and value of contracts for goods or services entered into by the Authority with persons or firms based in the Authority territory area consistent with applicable law."
- 3) How to best define and structure a Michigan Based Vendor preference.

COMMITTEE REVIEW

This item is being presented to the Board as a Committee of the Whole.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and the Detroit Water and Sewerage Department.