

Annual Procurement Report for FY 2023 includes the following:

1. Report Highlights
2. Key Terms & Assumptions
3. Fiscal Year analysis of awarded Purchase Orders executed in FY 2023
4. Fiscal Year analysis of invoices processed for payment in FY 2023
5. Detailed Appendices

Pursuant to the Great Lakes Water Authority By-Laws Article XII, Section 4, GLWA Procurement provides an annual report summarizing all spend awarded (Purchase Orders) by the GLWA in the previous fiscal year. In addition, this report provides statistics and analysis based on actual invoice spend for FY 2023.

The GLWA Procurement Team is a strategic cross-functional partner whose goal within the Financial Services Area (FSA) is to provide and manage effective procurement processes and procedures for the acquisition of quality goods and services in support of the Great Lakes Water Authority's mission and goals. GLWA Procurement utilizes the Bonfire Public Procurement application to manage the process of gathering, reviewing, awarding, and monitoring contracts and services with vendors. This system is used in tandem with the GLWA BS&A financial system (the primary source for these reports) to assign requisitions, purchase orders, and to ultimately process vendor payments. The GLWA Procurement team works very closely with other FSA teams throughout the process of the procure to pay cycle.

The information contained in this report is a comprehensive compilation of data from these systems organized in a manner that not only satisfies the base requirement of the GLWA By-Laws but also highlights key insights and trends apparent to the GLWA FSA team upon review. Following review by the GLWA Audit Committee, this information will be available on the GLWA website Vendors page at [www.glwater.org](http://www.glwater.org) where you can also find an entire section dedicated to vendors and communication of GLWA procurement policies, programs, and current solicitations.

It should also be noted that GLWA's [vendor contracts](#) are available online in a searchable database.

## Report Highlights

### GLWA Procurement Team Objectives Met

- ✓ Setting the bar for transparency in public procurement with the third annual procurement report providing a high level of information for stakeholders and other parties.
- ✓ All purchases (requisitions, purchase orders and contracts) were in alignment with approved procurement processes.
- ✓ Optimized the percentage of awards at 93% which are associated with a contract to improve procurement cycle efficiency and the performance expectations for both GLWA and the vendor community.
- ✓ Strategically identify, procure, and manage supplier relationship and key contracts.

### Procurement Key Data Points: Purchase Order (Awarded by Procurement) Totals

- ✓ Procurements awarded for FY 2023 totaled \$594.9 million.
- ✓ Procurement processed a total of 4,904 requisitions including execution of 4,036 new purchase orders and amending 717 existing purchase orders.
- ✓ Procurement executed 258 purchase orders tied to a formal contract.
- ✓ 93 percent of all awarded purchases were connected to a formal contract.

### Spending Key Data Points: Invoice (Accounts Payable) Totals

- ✓ Total combined spend by invoice for FY 2023 totaled \$566.3 million.
- ✓ Accounts Payable processed over 25,000 invoices including payments relating to 4,750 purchase orders.
- ✓ Invoice payments directly attributable to a purchase order totaled \$475.0 million.

## Key Terms & Assumptions

Following are key terms that will assist the reader in interpreting the data presented in this report.

- **Capital Improvement Plan (CIP):** Spend related to capital projects and equipment purchases.
- **Capital Outlay:** Spend related to either purchasing a fixed asset or to extending its useful life.
- **Contract:** A written binding agreement between GLWA and outside vendors predominantly based on GLWA's Terms and Conditions. All contracts are associated with an approved purchase order.
- **Fiscal Year:** GLWA's one year period used for financial reporting extending from July 1 to June 30 the following year.
- **Invoice:** Issued by the seller/vendor to acquire payment and includes an itemized list of goods shipped specifying the price, products, and quantities. Invoices are reported by payment (check or EFT) paid date.
- **Operation and Maintenance (O&M):** Cost associated with continuing daily operations, repairs, and part replacements to extend the life of assets.
- **Purchase Order (PO):** A document generated by GLWA that authorizes a purchase transaction. When accepted by the seller/vendor, it becomes a contract binding on both parties. Purchase orders are reported by post-date. Not all Purchase Orders are tied to a formal Contract.
- **Requisitions:** A formal request for obtaining a good and/or service including supplies, raw materials, construction projects, and services. It is also used in requesting additional amendments and change orders for current purchase orders and contracts.
- **BS&A:** GLWA's financial software specializing in municipal accounting and finance.

In addition to these key terms, certain assumptions were utilized in the presentation of this information. Key assumptions include the following:

- Purchase order data presented is based on the date the approved purchase order transaction was posted to the general ledger for accounting purposes.
- Invoice data presented is also based on the date the invoice was posted to the general ledger for accounting purposes.
- Purchase order amounts do not remain static, unlike invoice totals.
- Counts are unique counts unless otherwise noted.
- Procurement continually processes amendments (including renewals) and change orders that can decrease or more often increase the purchase order total. These changes impact the original fiscal year totals.
- For the purposes of this report, amended purchase orders include change orders, construction change directives, and task orders.

## Fiscal Year Award Analysis

The following tables and charts highlight GLWA Procurement activity including **purchase orders awarded and executed in FY 2023**.

**Table 1 – GLWA FY 2023 Total Combined Contract/Purchase Order Awards.** This chart identifies the total contracts/purchase orders administered by Procurement. Procurement processed 4,036 purchase orders totaling \$594.9 million in FY 2023.

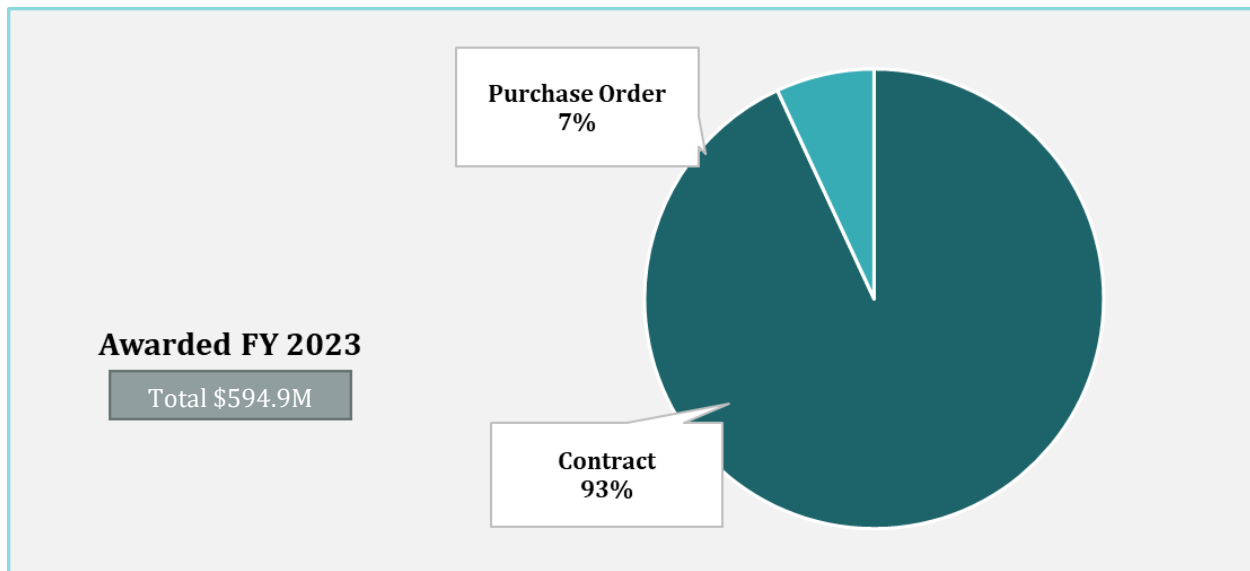
**Table 1 – GLWA FY 2023 Total Combined Contract/Purchase Order Awards**

Type	Requisition Count	Purchase Order Count	Contract Count	Awarded (Millions)
Contract	167	167	167	\$518.4
Purchase Order	3778	3778	0	\$41.2
Contract Related *	91	91	91	\$35.3
<b>Total Executed</b>	<b>4036</b>	<b>4036</b>	<b>258</b>	<b>\$594.9</b>

\*Amendment or change order tied to existing purchase order or contract.

**Chart 1 – Total Awarded Contracts/Purchase Orders as a % of Total Purchase Orders Issued.** This chart highlights the continuing emphasis Procurement places on capturing a majority of awarded spend under the protection of a formal contract. In addition to providing legal safeguards and quality of service protections, contracts restrain costs by reducing the number of purchase orders and combining purchases to drive down costs. In FY 2023, Procurement awarded \$553.7 million or 93% of the total awarded spend directly tied to a formal agreement (contract).

**Chart 1 – Total Awarded Contracts/Purchase Orders as a % of Total**



**Average Dollar Amount of Contracts and Purchase Orders FY 2023.** The average contract awarded by Procurement was over three million dollars.

**Table 2 – Average Awarded Amount for Contracts and Purchase Orders FY 2023**

Type of Award	Count	Amount Awarded (Millions)	Average Award
Contract	167	\$553,685,166	\$3,315,480
Purchase Order	3778	\$41,166,736	\$10,896

**Awards by Contract** – Large contracts ensure successful timetables are met and projects are completed to the satisfaction of all GLWA stakeholders.

**Table 3 – FY 2023 Top Ten Largest Contracts awarded by Dollar Value.** These top ten contracts represent \$362.9 million or 61% of the total awarded Contracts/Purchase Orders for FY 2023. A complete listing of contracts awarded over a million dollars for FY 2023 can be found in Appendix A.

**Table 3 – FY 2023 Top Ten Largest Contracts awarded by Dollar Value**

Contract	Contract Title	Vendor	Awarded (Millions)
2103350	Pump St. No. 1 Improvement	Weiss Construction Co LLC	\$91.5
2201068	SWTP Medium Voltage Electrical System	Clark Construction Company	\$64.5
2103688	Rehab of Connors Creek Sewer System	Oscar Renda Contracting Inc	\$50.5
2102859	Conveyance System Infrastructure	Jay Dee Contractors Inc.	\$36.9
2101167	Cyber Security, Ovation, Instrum., & Controls	Emerson Process Management	\$35.3
2201255	SWTP 1958 Flocculator Replace	FH Paschen	\$25.5
2201142	Conveyance System Infrastructure (2)	Lakeshore Global Corporation	\$15.9
2103380	WWP HVAC Improvement	Commercial Contracting Corporation	\$15.0
2004674	North Service Center BPS Improvement	CDM Smith Michigan Inc	\$14.8
1902908	B/Creek CSO Effluent Conduit	Jay Dee Contractors Inc.	\$13.2
<b>Subtotal Top Ten</b>			<b>\$362.9</b>

**Awards by Vendor** – Procurement understands that strategic vendors are integral to the success of GLWA.

**Table 4 – FY 2023 Top Ten Vendor Total Awards.** These top ten vendors represent \$411.6 million or 69% of the total awarded contracts/purchase orders for FY 2023. A complete list of combined awards for all vendors issued in FY 2023 can be found in Appendix B.

**Table 4 – FY 2023 Top Ten Vendor Total Awards**

Vendor	Requisition Count	Purchase Order Count	Contract Count	Awarded (Millions)
Weiss Construction Co LLC	49	47	47	\$91.5
Clark Construction Company	5	5	5	\$69.8
Jay Dee Contractors Inc.	16	16	16	\$59.6
Oscar Renda Contracting Inc	4	3	3	\$50.5
Emerson Process Management	6	5	5	\$35.3
CDM Smith Michigan Inc	14	14	14	\$27.8
FH Paschen	2	2	2	\$25.5
Commercial Contracting Corporation	37	37	37	\$17.9
PCI LLC	11	11	10	\$17.8
Lakeshore Global Corporation	16	15	15	\$15.9
<b>Subtotal Top Ten</b>	<b>160</b>	<b>155</b>	<b>154</b>	<b>\$411.6</b>

## Fiscal Year Spend Analysis

The following tables and charts highlight GLWA Accounts Payable activity and **paid invoice totals for FY 2023**.

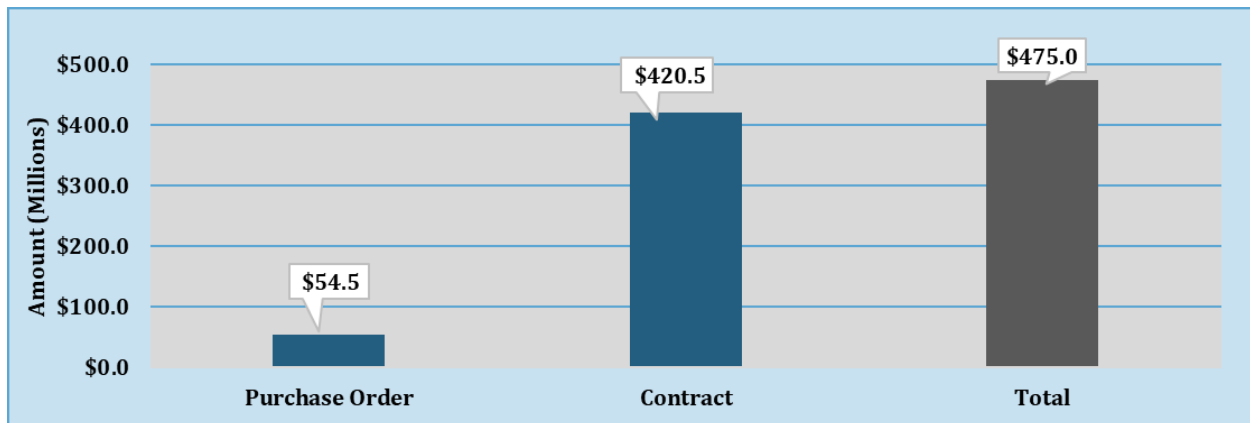
**Table 5 – GLWA’s Total Spend by Invoice for FY 2023.** Total spend by invoice is divided by purchase type. Contracts and purchase orders are awarded by Procurement prior to any invoicing by the vendor. In FY 2023, invoices directly related to a purchase order totaled \$475 million (\$420.5 million contract total plus \$54.5 million purchase order total in Table 5) representing 84% of total spend. Invoices paid without a purchase order are typically for utilities, telecom, employee benefits, state, federal and local governments, and agencies. Invoices without a purchase order totaled \$91.2 million and represent less than 16% of total annual spend.

**Table 5 – GLWA’s Total Spend by Invoice for FY 2023**

Invoice Type	Invoice Count	Purchase Order Count	Contract Count	Amount Paid (Millions)	Percentage of Total
Contract	8298	596	473	\$420.5	74%
No Purchase Order	7666			\$91.2	16%
Purchase Order	9049	4154		\$54.5	10%
<b>Grand Total</b>	<b>25013</b>	<b>4750</b>	<b>473</b>	<b>\$566.3</b>	<b>100%</b>

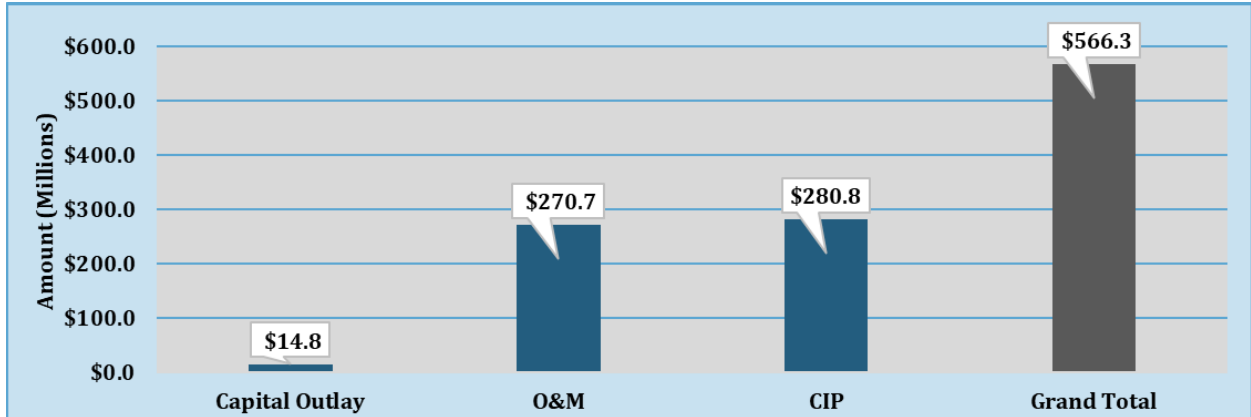
**Chart 2 – Total Spend Directly Related to a Purchase Order Award (with or without a Contract).** This chart emphasizes Procurement’s focus on identifying opportunities to capture as much spend as possible under the safeguards of a formal contract. The majority, 89% of all Purchase Orders and 74% of all GLWA spend, is directly related to a Contract.

**Chart 2 – Total Spend Directly Related to a Purchase Order Award**



**Expense Type and Project** – Combined invoice totals by Expense Type and Project.

**Chart 3 – Total Spend by Expense Type.** This chart organizes the spend between Operations and Maintenance (O&M), Capital Improvement Plan (CIP), and Capital Outlay.

**Chart 3 – Total Spend by Expense Type**

**Table 6 – Top 10 Projects Invoices by Expense Type FY 2023.** This table identifies the top project invoices during the fiscal year. These combined top ten projects represent 68% of the total spend for FY 2023.

**Table 6 – Top 10 CIP Projects Invoiced FY 2023**

Project	Project Description	Vendor	Amount (Millions)
122013	14 Mile Transmission Main Loop	Ric Man/Clark Joint Venture	\$38.0
		Major Contracting Group	\$1.8
		Brown and Caldwell LLC	\$1.5
		Kennedy Industries Inc	\$0.7
		Serra Works of Farmington Hills LLC	\$0.0
		Novi Community School District	\$0.0
		14 Mile Transmission Main Loop Total	\$42.1
<b>122013 Total</b>			<b>\$42.1</b>
122004	96" Main Relocation, Isolation Valve Ins	Kiewit Infrastructure Co	\$21.7
		Jacobs Consultants, Inc.	\$4.5
		Northwest Pipe Company	\$1.9
		RA Consultants, LLC	\$0.1
		AT&T CWO	\$0.1
		96" Main Relocation, Isolation Valve Ins Total	\$28.3
<b>122004 Total</b>			<b>\$28.3</b>
132010	Division Valves at West Service Center	Kokosing Industrial Inc.	\$17.9
		Division Valves at West Service Center Total	\$17.9
<b>132010 Total</b>			<b>\$17.9</b>
115001	Yard Piping, Valves and Venturi Meters	Lakeshore Global Corporation	\$15.2
		AECOM Great Lakes, Inc	\$0.3
		Yard Piping, Valves and Venturi Meters Total	\$15.6
<b>115001 Total</b>			<b>\$15.6</b>
116002	PA,SW and NE Raw Water Supply Tunnel Imp	Ballard Marine Construction LLC	\$14.2
		PA,SW and NE Raw Water Supply Tunnel Imp Total	\$14.2
<b>116002 Total</b>			<b>\$14.2</b>
170503	Transmission System Valve Replacement Pa	Ric-Man Construction Inc	\$9.9
		Transmission System Valve Replacement Pa Total	\$9.9
<b>170503 Total</b>			<b>\$9.9</b>
260207	Rehabilitation of Woodward Sewer System	Lanzo Construction Co., Florida	\$6.9
		Brown and Caldwell LLC	\$0.6
		PMA Consultants LLC	\$0.3
		Metropolitan United Methodist Churc	\$0.0
		Roman A. Avant	\$0.0
		Avanath North End Holdings, LLC	\$0.0
		CD Lewis Estates Inc	\$0.0
		Rehabilitation of Woodward Sewer System Total	\$7.8
<b>260207 Total</b>			<b>\$7.8</b>
222002	CON-183: DB 223 Inland Waters:	Jay Dee Contractors Inc.	\$7.5
		Urban Renewal Initiative Foundation	\$0.0
	CON-183: DB 223 Inland Waters: Total		\$7.5
<b>222002 Total</b>			<b>\$7.5</b>
232001	Fairview Sewage Pumping Station Imprvmts	Weiss Construction Co LLC	\$5.9
		Brown and Caldwell LLC	\$1.1
		Fairview Sewage Pumping Station Imprvmts Total	\$7.0
<b>232001 Total</b>			<b>\$7.0</b>
260204	Eng. Svcs for rehab of convey sewer system	Oscar Renda Contracting Inc	\$5.4
		Brown and Caldwell LLC	\$0.9
		Eng. Svcs for rehab of convey sewer system Total	\$6.3
<b>260204 Total</b>			<b>\$6.3</b>
<b>Combined Top Ten Total</b>			<b>\$156.5</b>



**Top Ten Contracts** – Key Contracts comprising a majority of actual spend for FY 2023.

**Table 7 – Top Ten Contracts in actual spend for FY 2023** provides a list of the largest contracts that captured FY 2023 spend. These ten contracts account for \$164.0 million or 29% of FY 2023 total spend. A complete listing of contracts with over a million dollars in spend for FY 2023 can be found in Appendix C.

**Table 7 – Top 10 Contracts in actual spend for FY 2023**

Contract	Contract Title	Vendor	Amount (Millions)
2004456	14 Mile Trans Main Loop	Ric Man/Clark Joint Venture	\$41.3
2004825	(CMAR) for 96-Inch Water Trans Main	Kiewit Infrastructure Co	\$22.9
1803312	Division Valves at West Service Center Resv.	Kokosing Industrial Inc.	\$17.9
2000610	Yard Piping, Valves & Venturi Meter Meters	Lakeshore Global Corporation	\$16.9
GLWA-PC-792	Bio-Solids Dryer Facility	New England Fertilizer Company	\$15.7
GLWA-DB-150	Repair of Raw Water Tunnels	Ballard Marine Construction LLC	\$14.5
1802745	Water Trans Main, Valve & other repairs	Ric-Man Construction Inc	\$11.3
2102834	Facilities Maintenance Svcs. Staff Augment	Lakeshore Global Corporation	\$8.0
GLWA-DB-226	Repair & Rehab (DRI) Alter Rd. to (WRRF)	Jay Dee Contractors Inc.	\$7.7
2004082	Rehab of Woodward Sewer System	Lanzo Construction Co.	\$7.7
<b>Subtotal Top Ten</b>			<b>\$164.0</b>

**Top Ten Vendors** – The top vendors that dominated GLWA’s FY 2023 actual spend.

**Table 8 – Top Ten Vendors by Total Spend** highlights the vendors who received a majority of spend for FY 2023. These top ten vendors comprise \$257.1 million or 45% of total invoices paid. A complete list of vendor invoices in FY 2023 can be found in Appendix D.

**Table 8 – Top Ten Vendors Total Spend**

Vendor	Invoice Count	Purchase Order Count	Contract Count	Amount (Millions)
Lakeshore Global Corporation	157	12	12	\$49.6
DTE Energy *	4488	0	0	\$47.0
Ric Man/Clark Joint Venture	22	1	1	\$38.0
Kokosing Industrial Inc.	46	4	4	\$23.3
Kiewit Infrastructure Co	17	1	1	\$21.7
Commercial Contracting Corporation	65	10	10	\$16.5
Weiss Construction Co LLC	97	11	9	\$16.0
New England Fertilizer Company	13	1	1	\$15.5
Ballard Marine Construction LLC	28	2	2	\$14.8
Pullman SST, Inc.	51	4	4	\$14.8
<b>Subtotal Top Ten</b>	<b>4984</b>	<b>46</b>	<b>44</b>	<b>\$257.1</b>

\*DTE (utility spend)

## Detailed Appendices

### **Appendix A – FY 2023 Combined Contracts Awarded by Procurement.**

This report identifies all contracts awarded by Procurement during the fiscal year. It includes the Contract Number, the Vendor, and the total amount of the Contract. It is generated using data downloaded from the BS&A accounts payable and procurement modules and includes award activity data generated as part of these processes. Items outside the scope of this report include such things as GLWA employee payroll, debt, and pension obligation payments. Invoice activity is based on the date range July 1, 2022, through June 30, 2023.

### **Appendix B – FY 2023 Combined Vendors Awarded by Procurement.**

This report identifies all vendors awarded during the fiscal year. It includes the Contract Number, the Vendor, and the total amount of the Contract. It is generated using data downloaded from the BS&A accounts payable and procurement modules and includes award activity data generated as part of these processes. Items outside the scope of this report include such things as GLWA employee payroll, debt, and pension obligation payments. Invoiced activity is based on the date range July 1, 2022, through June 30, 2023.

### **Appendix C – FY 2023 Combined Contracts Invoiced.**

This report identifies all contracts invoiced during the fiscal year. It includes the Contract Number, the Vendor, and the total amount of the Contract. It is generated using data downloaded from the BS&A accounts payable and procurement modules and includes award activity data generated as part of these processes. Items outside the scope of this report include such things as GLWA employee payroll, debt, and pension obligation payments. Invoiced activity is based on the date range July 1, 2022, through June 30, 2023.

### **Appendix D – FY 2023 Combined Vendors paid by Invoice.**

This report identifies all vendors invoiced during the fiscal year. It includes the Contract Number, the Vendor, and the total amount of the Contract. It is generated using data downloaded from the BS&A accounts payable and procurement modules and includes award activity data generated as part of these processes. Items outside the scope of this report include such things as GLWA employee payroll, debt, and pension obligation payments. Invoiced activity is based on the date range July 1, 2022, through June 30, 2023.