



GREAT LAKES WATER AUTHORITY

BOARD OF DIRECTORS

December 4, 2015, 9:00 a.m. SPECIAL MEETING

AGENDA

1. Call to Order

Call to Order

2. Quorum Call

Quorum Call

3. Approval of Agenda

Approval of Agenda

4. Approval of Minutes

NONE

5. Public Comment

Public Comment (3 minutes per speaker)

6. Communications

NONE

7. Old Business

C) 2015-11- 08 Resolution regarding Proposed Budget for Enterprise Resource Planning System.

8. New Business

A) 2015-12- 03 Resolution regarding Proposed Budget for Enterprise Resource Planning System.

B) Distribution of proposed 2016 Board Meetings. Schedule to be discussed at December 9, 2015 Meeting.

9. Adjournment

A) Motion to Adjourn.

Great Lakes Water Authority
Resolution 2015 - 11 - 08
Resolution regarding Proposed Budget for Enterprise Resource Planning System

By Board member: _____:

Whereas It is expected that the Great Lakes Water Authority (“GLWA” or the “Authority”) will assume operation of the regional water supply and sewage disposal system from the Detroit Water & Sewerage Department (“DWSD”) on or about January 1, 2016 (the “Effective Date”); and

Whereas The GLWA staff and advisors have been proceeding with key legal, financial, and operational matters including the selection of an Enterprise Resource Planning (ERP) System; and

Whereas The condensed timeline for selecting an ERP system did not provide for the execution of a competitive request for proposal process; compensating controls include the engagement of independent advisors, subject matter experts, and benchmarking of options to assure the best value for GLWA; and

Whereas The GLWA has been provided a number of ERP options among which is implementation of the BS&A Financial system and a related instance of Oracle Work Order Asset Management (WAM); and

Whereas The estimated project budget is Four Million, Five Hundred Thousand (\$4,500.00) Dollars for the implementation of the BS&A Financial and Oracle Work Order Asset Management systems as well as related project costs; and

Whereas The project vendors are under current contracts with the City of Detroit Water & Sewerage Department whose contracts are assignable to GLWA as contemplated by the lease agreement between GLWA and the City of Detroit; and

Whereas It is desired for the ERP and WAM project vendors to be engaged by December 1, 2015 to achieve key coordination timelines with the City of Detroit’s Finance and Information Technology initiatives; said engagement can be achieved with execution of a contract change order provided that details of said change order provides terms, conditions, and rates no less favorable to GLWA than current contracts and/or available benchmarks; and

NOW THEREFORE BE IT:

RESOLVED That the GLWA Board authorizes the CEO to establish a project budget of Four Million, Five Hundred Thousand (\$4,500.00) Dollars, and execute said purchase orders with monthly updates of the ERP implementation project tasks and budget.

RESOLVED That the Chairperson, the CEO, and the Interim Treasurer/CFO are authorized to take such other action as may be necessary to accomplish the intent of this action.

DRAFT



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November 11, 2015

Ms. Nicolette Bateson, Chief Financial Officer
Great Lakes Water Authority 735 Randolph
St.
Detroit, MI 48226

Dear Nickie:

Plante Moran has appreciated the opportunity to assist the Great Lakes Water Authority's (GLWA) financial software system planning efforts. GLWA's management team has expressed that its immediate goals for its future financial system relate to the need to enable the GLWA to create an independent and objective financial function able to operate and produce its own financial statements. Establishing its own chart of accounts, paying employees and vendors, closing GLWA's books on a monthly basis and controlling the production of financial statements are all of upmost importance to GLWA management. As the new entity is more formally initiated at 1/1/2016, bifurcating from DWSD-R, GLWA management is well aware that GLWA's future efforts will entail a progressive process of developing the organization, its staff and business processes. Any near term approaches to deploy software systems to support GLWA financial activities are considered interim solutions as the new Authority has yet to fully establish its core business processes.

We recognize that your staff have been involved for nearly a year in the City of Detroit's Fusion upgrade from the current Oracle DRMS financial system implementation. Additionally we understand that GLWA is proceeding with a separate independent implementation of Ceridian payroll which is on track for 1/1/16 go live.

The Plante Moran government technology consulting team was engaged to assist the GLWA with evaluating the potential use of Fusion, as well as, identifying potentially relevant alternative options including the continued use of DRMS, RFP based software procurements processes, pre-existing financial system contracts available through the MMSA, exploration of further use of in-house tools, etc.

We appreciate that time is of the essence as GLWA is approaching a deadline to transition off the DRMS Oracle financial system. While we have been engaged for a limited time, this memorandum is intended to provide an update as to our perspective on GLWA's ongoing assessment of the key options, direction and the resulting planning efforts. **FUSION OPTION BEING CONSIDERED**

We understand that GLWA staff have been participating at various levels in the City's process of implementing Fusion (an Oracle based upgrade of the DRMS system), as there have been opportunities to do so over the course of the last year. We learned that in August 2015, the project environment created increased awareness that GLWA and DWSD-Retail requirements were not being adequately addressed as part of the implementation effort. During that time and through September 2015, GLWA staff worked with E&Y and AST (the two firms



implementing the Fusion upgrade) to review the City's implementation plan for Fusion, identified gaps, and consider options for solutions to accommodate GLWA requirements. Multiple options for GLWA's use of Fusion were considered, and what has been termed "Option 2" was mutually identified as the most likely approach for GLWA, should the GLWA elect to proceed with the City's Fusion deployment.

GLWA received its first cost estimates for the Fusion conversion on 10/15/2015 and found that Fusion Option 2 was significantly more costly than anticipated. Further, our discussions with GLWA management since that time have identified concerns that not all GLWA requirements will be met. Capital cost estimates specifically provided to GLWA for this option were approximately \$5.5M or some significant allocation of \$7.0M (to be negotiated with the City) should DWSD-R also conclude to proceed with Fusion. Additionally, GLWA has requested but has not yet received estimates for the related ongoing operating costs for this option.

Beyond the costs already identified, GLWA management team has astutely recognized that other factors must also be considered. Specifically, the organization will be developing and refining its business processes as it bifurcates from DWSD-R. GLWA management has expressed concerns about what risks may result related to its supporting software systems. It has been our experience in assessing other organizations that the process of making such transformative changes, when entrenched in a Tier 1 software environment such as with Fusion, generates a sizeable risk of cost increases / time delays to the related software implementation effort. Specifically, depending on the nature of the changes to the core business processes that GLWA will ultimately require, the Authority may need to effectively re-implement aspects of Fusion and potentially incur significant additional costs.

ALTERNATIVE OPTION

In working with GLWA's management team we preliminary assessed one option to be the most likely feasible Fusion alternative for use in the immediate term. This preliminary assessment was based on a series of factors including its lower capital and operating costs, comparatively low level of complexity, and ability to implement in an expedited manner. This alternative entails transitioning from GLWA's current use of DRMS and developing an interim / bridge financial system solution to be used for the next two to three years, using BS&A Software's Financial Management System. This option offers significantly lower capital and operating cost in comparison to Fusion. BS&A Software is a vendor, headquartered in the State of Michigan whose entire business is developing, implementing and supporting software systems for local public sector agencies. GLWA management has already concluded on using BS&A Software for GLWA billing of wholesale accounts and is working internally to review and finalize appropriate contract documents.

During the course of our involvement, GLWA's management team organized a team of over twenty GLWA subject matter experts to conduct software demonstrations and other due diligence efforts to evaluate the full BS&A financial management software application against GLWA's overall financial system requirements, in addition to the wholesale billing. These GLWA team members were familiar with GLWA's requirements and have been participating in the Fusion evaluation process. These requirements included budget preparation, general ledger, general accounting, procurement, accounts payables, fixed assets and other

related key GLWA financial functions. The team found a limited number of shortcomings that were identified by staff with the functionality of the BS&A system. Amongst others, lack of ability to optimally track returns of purchases in the system, limited contract management functionality and lack of a vendor portal were all areas of concern for which GLWA would need to develop workarounds or alternatives. A number of key GLWA Finance department managers and staff also have experience with BS&A through other organizations which they have been involved with prior to their tenure at GLWA.

Additionally GLWA staff identified technical limitations with the BS&A solution based on its comparatively simplistic / proprietary technical environment to Oracle - the implications of which include greater difficulty in developing software integrations to other GLWA systems, notably the WAM asset management system, which is heavily relied upon to facilitate operations. Note that as a result of GLWA's bifurcation from DWSD-R and development of a separate chart of accounts, the Authority will be required to re-configure and deploy WAM for joint GLWA / DWSD-R use. GLWA staff are currently evaluating what level of effort would be required from current WAM support resources and the durations for the changes, however staff currently estimate scenarios which add costs but leave the BS&A approach well below the costs of remaining with Fusion. Transition away from the Oracle environment would also create other challenges with integrations between the financial system and WAM. GLWA staff in Procurement and many aspects of Operations have indicated that the link from WAM to BS&A is not significantly important and that they have identified acceptable manual workarounds, however some Field Operations personnel remain concerned about functionality which may not be feasible to develop by March 2016.

Due to the comparatively quick timeline of evaluating BS&A, hard formal proposal costs are still being developed by BS&A under GLWA staff advisement, but preliminary estimates and benchmarking indicate significantly lower capital and operating costs than the Fusion option. Current capital cost estimates for BS&A are under \$1.0M. While annual software maintenance costs are expected to be under \$100k, there would be an increased need for GLWA technical and vendor support staff to support the hardware footprint and implementation effort for associated WAM integration requirements.

CLOSING

Near term, we agree with GLWA management team's current staff recommendation to work with the City to continue the use of DRMS after the January 1 deadline, and continue until such a time when DRMS is decommissioned. We have learned that the City's expected use of DRMS continues until at least March, and possibly through July 2016.

Based upon its' match with GLWA's overall financial system goals, comparatively lower costs, and limited time to select a strategic direction, we agree with GLWA management's recommendation to procure and deploy BS&A Software's financial management application for use as a bridge solution for the next two to three years. This appears to be a prudent and reasonable approach providing GLWA with a lower cost, more straightforward vendor solution supported by a vendor entrenched with many communities that GLWA will serve. It will also allow GLWA to work beyond its formation through the first few years of business cycles to develop its core business processes. Then as a more mature and established organization, GLWA will have the opportunity to thoughtfully assess and select the best overall long term solution.

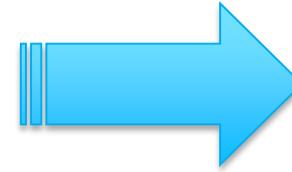
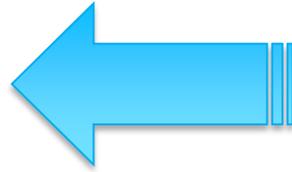
Based on GLWA and BS&A Software's implementation planning discussions to date it would be feasible by the March 2016 timeframe to make the core aspects of the BS&A financial system operational for GLWA. Additionally we appreciate that BS&A and GLWA are beginning to establish plans for full use of the system targeting a July 2016 timeframe. Clearly, it would be critical for GLWA staff to actively monitor the City's Fusion deployment plans and DRMS availability and progressively adjust GLWA's BS&A implementation project plans as a result. Additionally, it will be important for GLWA management and staff to closely monitor the gaps and risks and modify project plans accordingly to achieve its objectives with this approach.

Very truly yours,

Plante & Moran, PLLC



Adam Rujan, Partner



Great Lakes Water Authority

Accounting and ERP System Options

Project Implementation Team
November 19, 2015



Background of ERP Decision

- An independent ERP system is a high priority to effectively manage the needs of a public utility
- Timeline of ERP Activities
 - Calendar Year 2013: Alternatives explored; resources diverted with City's Ch. 9 filing
 - Calendar Year 2014: DWSD develops Enterprise Resource Planning (ERP) specifications; Ready to issue Jan 2015
 - Jan 2015: City of Detroit initiates Oracle Fusion Fast Track ; All available DWSD resources dedicated to Fusion
 - Aug 19, 2015: DWSD notified that citywide Oracle Fusion scope excludes key functionality for GLWA & DWSD-R
 - Sep/Oct 2015 City ERP project consultants provided to redefine and cost DWSD options
 - Oct 15, 2015: City consultants provide base cost estimate of \$7M for GLWA and DWSD-R; \$5.4 for GLWA alone



ERP Options



Plante & Moran engaged in Aug 2015 to identify other ERP options; BS&A is primary alternative

System Option	Initial Cost	Ongoing Costs	Procurement Time	Implementation Time	Long Term Fit
City Oracle Fusion	High	Annual IT costs quoted at \$880k as of April 2015	Short	Medium: 7 months and coordination with DRMS / DRMS extension required	Strong, once 37 requirement gaps addressed
Retain DRMS	Low, but relies on City resources deployed to Fusion	High (\$1.6M annually)	Short	Short: January 1 GLWA changes underway	Poor, only a short term solution. Only available through 12/31/16
Other Tier 1	High and requires changes to WAM	High	Long: 6+ Months	Long: 12-18 months	Strong, Very Configurable
BS&A	Low for BS&A but requires changes to WAM	Low	Short due to lower cost and use in Michigan municipalities, including Detroit	Medium: 4-6 months and coordination with DRMS / DRMS extension required	Solid for 1-2 years, leaves option to evaluate long-term solution
Michigan Municipal Svc Authority	Medium (\$1M to \$2M) and requires changes to WAM	High (\$1M annually)	Short since vetted by MMSA	Long: 12-18 months	Strong, Very Configurable



Oracle Fusion Background

■ Positives

- Modern, cloud-based technology
- Standardized business processes

■ Concerns

- High cost to adapt for GLWA
- DWSD does not have representation on the Oracle Implementation Steering Team
- Until recently, key GLWA requirements not given priority
- Implementation timeline has been delayed with latest date between March and July, 2016



Oracle Fusion Pros and Cons

Pros	Cons
Once the 37 requirements are met, the functionality of Fusion should meet GLWA's needs	If City implements Fusion in March, GLWA operating on DRMS with limited support until enhancements are completed
Integration with WAM is included in the Fusion implementation and a 2 nd instance of WAM is not required	Complete annual operating costs are unknown and likely to be substantially higher than BS&A
There is a benefit of GLWA and DWSD-R working in the same instance of WAM	The staff who have participated in the Fusion walkthroughs and testing are primarily DWSD-R resources, leaving little Fusion expertise with GLWA
	Future Oracle modifications may be expensive and need to be coordinated through the City. There is risk that quoted implementation costs will increase



Oracle Fusion Costs



■ Setup Costs to Reconfigure Fusion for GLWA

GLWA Option 2 Alone	\$5,439,302
DWSD-R Option 2A Alone	\$3,739,500
GLWA and DWSD-R Together	\$6,973,002

- Additional GLWA project management and internal staff support costs would apply to put estimate on par with BS&A

■ Annual City IT & Finance Support

- Complete Fusion operating costs unknown, estimate requested
- City Annual Finance Central Services Costs for Finance, AP, Budgeting, Purchasing, and Treasury averaged more than \$4M over the last 2 fiscal years; unknown allocation for future years
- City Annual IT costs for DRMS exceed \$200,000 for FY 2015-16

■ Future Change Implications

- Complexity of system limits adaptability of business processes
- Access to administration/super-user access needs to be coordinated with the City



BS&A Background

■ Pros

- Michigan-based municipal accounting software; implementation team in-state
- Simplified and standardized processes
- Includes core modules that meet requirements of GLWA: GL/Budgeting, Procurement, AP, Fixed Assets
- GLWA is already planning to use the Utility Billing and Cash Receipting modules

■ Cons

- Integration with WAM is Phase II (7.1.2016)
- Limited ability to track inventory returns
- No project module (but costs can be tracked in G/L)
- May be difficult to integrate with other unknown long-term IT Solutions
- Scale of GLWA larger than typical BS&A client



BS&A Pros and Cons

Pros	Cons
Allows GLWA to have independent financial systems in 6 months with improved financial management, transparency, and ability to control admin rights and access	GLWA may have a gap in financial system availability when City goes live with Fusion. Two phase implementation and ability to extend DRMS for up to 10 months mitigates this risk
Streamlined accounting and procurement functions may be easier to use, but less sophisticated than Tier 1 ERP like Oracle	Will require new instance of WAM to allow WAM to talk to 2 ERP systems. This is costly and disrupts other WAM projects
Ability to optimize processes before making long-term ERP decision	Moving from cloud to on-premises solution requires higher internal IT support
After vendor demonstration with 20-30 Finance, Procurement and IT personnel, core modules seem to be a fit with GLWA and works with On-Base	Issues with the BS&A functionality: <ul style="list-style-type: none">- May not be able to integrate with WAM easily for 6 months- Limited process for inventory returns
Need for supplemental staff to implement is lower than Fusion or Tier 1 options	



Proposed BS&A Budget

BS&A Costs - All amounts are estimates

Cost Category	G/L	AP	Purchasing	Fixed Assets	Total 1-Time	
Application Licensing	13,225	11,230	11,230	11,230	46,915	
Database Setup	3,000	3,000		3,000	9,000	
Base Project Management	2,000	2,000	2,000	2,000	8,000	
Implementation / Training	4,400	4,400	5,500	4,000	18,300	
Data Conversion (Transactions, Vendors, Purchase Orders, Product Catalog, Assets)	10,000	10,000	30,000	25,000	75,000	1
Interfaces (WAM, Payroll)	20,000		75,000		95,000	1
Contingency					200,000	
Total	52,625	30,630	123,730	45,230	452,215	
Implementation Resources						
Plante & Moran Project Mgmt					206,400	
Additional Support for Internal Staff					243,200	
Split WAM Into Two Instances						
HP Configuration and Consulting Costs					1,200,000	
Oracle Licenses					1,500,000	2
Hardware, Servers, Operating System					490,000	3
Personnel: Database and Server Admin					-	
GeoNexus GIS License					250,000	2
Total WAM					3,440,000	
Total BS&A and WAM					4,341,815	
Project Contingency					200,000	
Total Project Costs					4,541,815	

Notes:

(1) Awaiting final pricing from BS&A

(2) Investigating need for new licenses. Would be incurred cost of any option where GLWA/DWSD-R use separate ERP systems

(3) Servers will provide additional capacity beyond what is required for WAM



BS&A Timeline

The BS&A implementation would occur in 2 phases:

- Phase 1: Core Functions: GL, AP, Budgeting, Procurement, Billing
- Phase 2: More robust interfaces, Fixed Assets, additional data

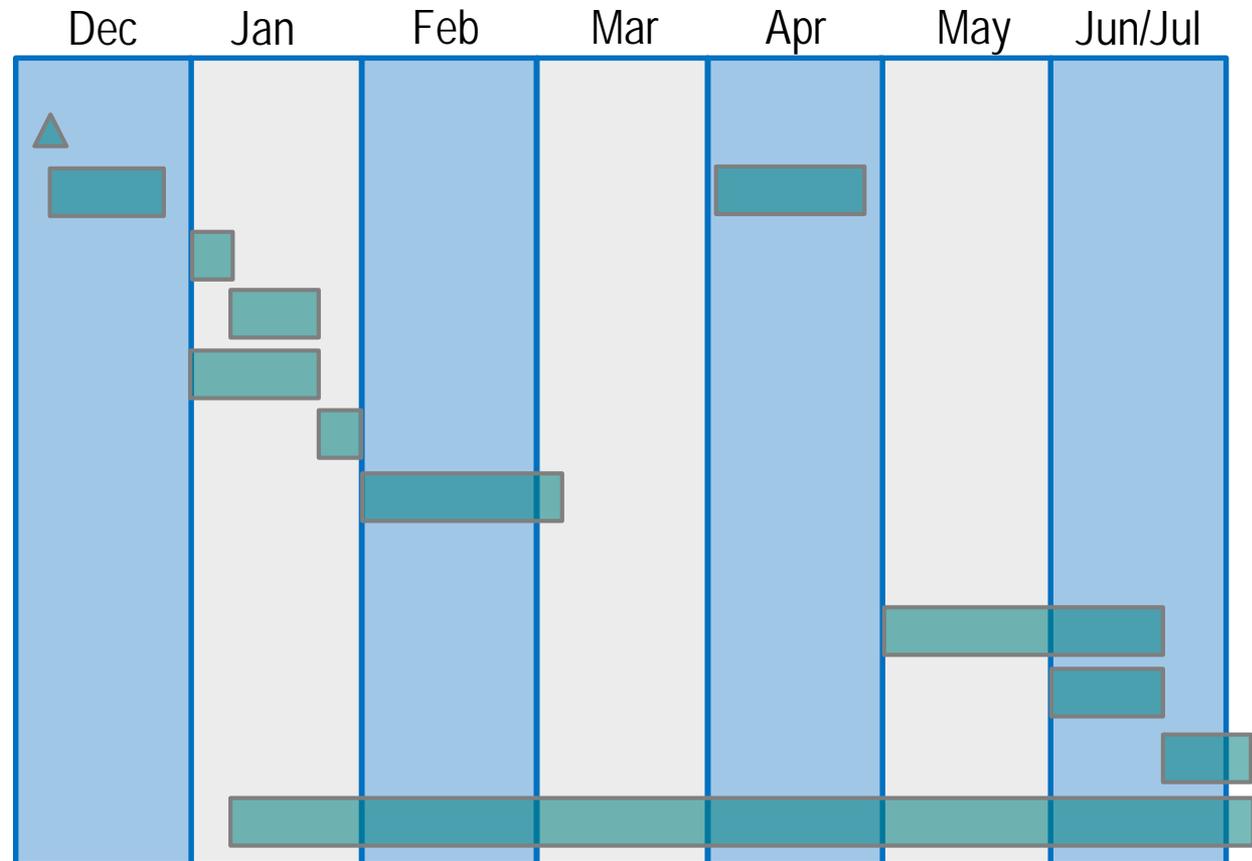
BSA& Phase 1 (Dec-Mar)

- Kick-off Meeting
- Planning, IT Configuration
- On-Site Data Gathering
- Set-up, Data Conversion
- Initial Integrations
- Installation
- On-Site Training

BSA& Phase 2 (Apr-Jul)

- Integrations
- Testing
- Training

WAM Changes (Jan-Jul)





Today's Two Primary Options

- City needs decision from GLWA (and DWSD-R) now
- Two options based on what we know today:
 - Fusion \$5.4 million+; unconfirmed annual cost
 - BS&A + Separate WAM instance \$4.54 million; lower annual costs
- Timeline
 - Fusion: Driven by City (complicates project for City)
 - BS&A: Primary functionality running by Q4 FY 2016
- Staff Resources and Bifurcation
 - Fusion: DWSD-R likely implementing Fusion
 - BS&A less complicated; on-ramp new staff quickly
- Business Processes: BS&A greater degree of control
- Long-term strategy: BS&A provides time for new entity to mature; develop a long-term strategy



Next Steps

- GLWA asked to authorize budget on 11.19.2015
- Obtain scope change order and timeline from BS&A, Oracle, HP (manages WAM for DWSD), Plante & Moran, and others by December 1, 2015
- Engage cross-functional and cross-entity project teams to align resources, priorities, and identify and mitigate risks:
 - Recognized nature of start-up entity
 - Reprioritization of 5-year GLWA/DWSD-R IT transition plan
 - Re-evaluation of organizational priorities
 - Reassignment of key personnel
- Engage City resources to coordinate timeline and resources

Great Lakes Water Authority Resolution 2015 – 12 -03

Resolution regarding Proposed Budget for Enterprise Resource Planning System

By Board member: _____:

Whereas It is expected that the Great Lakes Water Authority (“GLWA” or the “Authority”) will assume operation of the regional water supply and sewage disposal system from the Detroit Water & Sewerage Department (“DWSD”) on or about January 1, 2016 (the “Effective Date”); and

Whereas The GLWA staff and advisors have been proceeding with key legal, financial, and operational matters including the selection of an Enterprise Resource Planning (ERP) System; and

Whereas The condensed timeline for selecting an ERP system did not provide for the execution of a competitive request for proposal process; compensating controls include the engagement of independent advisors, subject matter experts, and benchmarking of options to assure the best value for GLWA; and

Whereas The GLWA has been provided a number of ERP options among which is implementation of the BS&A Financial system and a related modification of the Oracle Work Order Asset Management (WAM); and

Whereas The estimated project budget is Three Million (\$3 million) Dollars for the implementation of the BS&A Financial and Oracle Work Order Asset Management systems as well as related project costs; and

Whereas The project vendors are under current contracts with the City of Detroit Water & Sewerage Department whose contracts are assignable to GLWA as contemplated by the lease agreement between GLWA and the City of Detroit; and

Whereas It is desired for the ERP and WAM project vendors to be engaged by December 8, 2015 to achieve key coordination timelines with the City of Detroit’s Finance and Information Technology initiatives and the City of Detroit Water & Sewerage Department; said engagement can be achieved with execution of a contract change order provided that details of said change order provides terms, conditions, and rates are no less favorable to GLWA than current contracts and/or available benchmarks; and

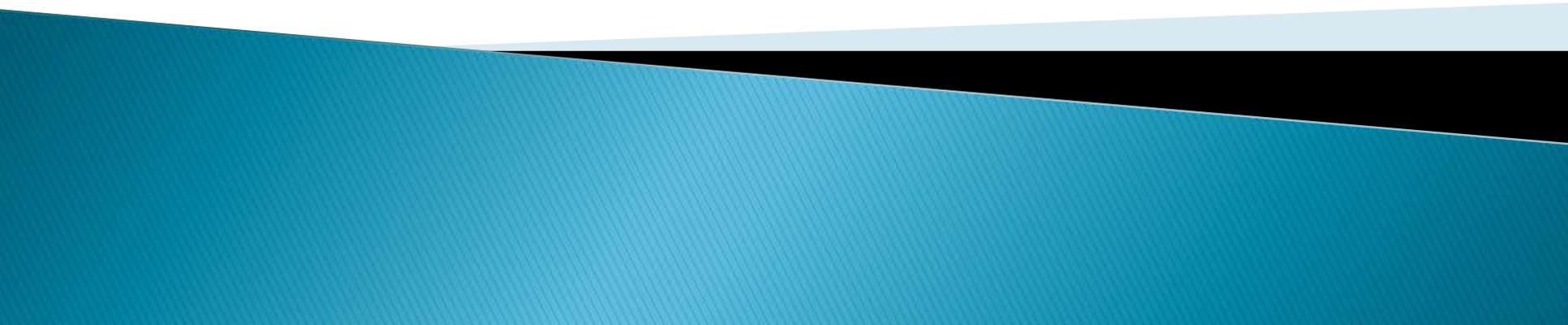
NOW THEREFORE BE IT:

RESOLVED That the GLWA Board authorizes the CEO to establish a project budget of Four Three Million Dollars (\$3 million) Dollars and execute said purchase orders with monthly updates of the ERP implementation project tasks and budget.

RESOLVED That the Chairperson, the Chief Executive Officer, and the Interim Treasurer/Chief Financial Officer are authorized to take such other action as may be necessary to accomplish the intent of this action.

Great Lakes Water Authority *ERP System Options*

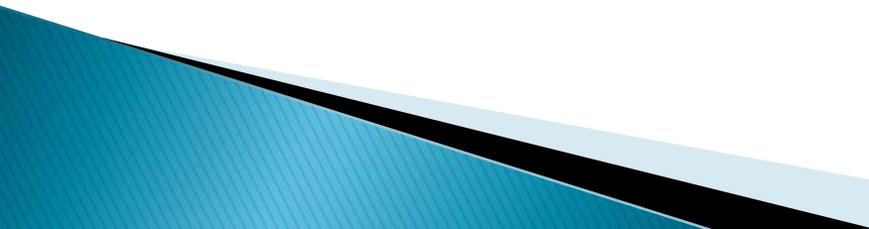
December 4, 2015



Executive Summary

- ▶ On 11/19/2015, the GLWA Board was presented with Enterprise Resource Planning & Accounting system options for GLWA
- ▶ The driver of a condensed timeline for assembling these options was the combined effect of:
 - City of Detroit's Oracle Fusion implementation nearing a "go-live" date in March 2016
 - Stand-up of the GLWA and DWSD-R in January 2016
 - Oracle Fusion cost proposal received by GLWA in October 2015
- ▶ Based upon the 11/19/15 GLWA Board presentation, staff and advisors were provided additional time to refine the design and cost implications of each option as well as expand stakeholder engagement

Executive Summary – continued

- Concurrently, realignment of staff in finance and procurement between GLWA and DWSD–R is resulting in a loss of existing Oracle Fusion subject matter expertise gained since January 2015
 - The key decision day was 12/1/2015 with a series of meetings that included the DWSD–R CFO, DWSD–R Deputy Director, City CIO, E&Y and AST consultants implementing Oracle Fusion, HP and EMA, Inc. consultants supporting WAM and GIS for DWSD, Plante & Moran (advisors to GLWA) as well as DWSD and GLWA staff
- 

Executive Summary – continued

- The pivotal decision was to utilize the “multi-plant” feature in Oracle WAM
 - Allows DWSD-R and GLWA to reside in the same instance of Oracle WAM while maintaining separate inventory, purchasing, internal controls
 - DWSD-R and GLWA are both “plants” within a larger enterprise
 - Requires some configuration consistency at the “enterprise level” of WAM such as general ledger account structure
- The DWSD-R team is presently evaluating Oracle Fusion configuration options and related costs
 - Regardless of the outcome, there is no impact on DWSD-R’s ability to use of WAM (in fact, Oracle Fusion/WAM integration and testing is underway)

Executive Summary – continued

- ▶ Staff recommends the BS&A option with the WAM multi-plant configuration for the following reasons
 - Significantly reduced project cost
 - Less disruptive to the operations
 - Provides a viable long-term solution for finance and asset management
 - Continues NPDES permit compliance strategy
 - Continues shared systems and cross-entity business process opportunities

Budget Scenarios

GLWA ERP Comparison	BS&A			Oracle Fusion		
Cost Category	1-Time Initial	Annual		1-Time Initial	Annual	
Software License / Fees	115,245	23,050			880,000	5
Base Project Management	17,490			539,000		
Implementation / Customizations	39,300			4,900,302		
Training	80,620			incl		
Data Conversion (Transactions, Budget, Vendors, Purchase Orders, Assets)	28,000			incl		
Interfaces (WAM General Ledger, Purchase Orders, Products, Receiving, Payroll)	30,000			incl		
Contingency	75,000			500,000		
Total Software & Configuration	385,655	23,050		5,939,302	880,000	
Implementation Resources						
Plante & Moran Project Management	206,400	-		206,400	-	
Coordinating Committee Support	100,000			100,000		
Additional Support for Internal Finance Staff	243,200	-		785,400	-	6
Internal Staff Time - Finance		264,000	1			
BS&A: Internal IT Time; Oracle: AST Support		125,000	2		1,030,000	5
City IT Support		-			400,000	7
Total Support Resources	549,600	389,000		1,091,800	1,430,000	
Split WAM Into Two "Plants"						
HP Configuration and Consulting Costs	1,200,000	300,000	3	n/a		
Total BS&A and WAM	2,135,255	712,050		7,031,102	2,310,000	
Use of DRMS for 4 Additional Months	520,000		4	520,000		4
Project Contingency	300,000	100,000		300,000	100,000	
Total Project Costs	2,955,255	812,050		7,851,102	2,410,000	

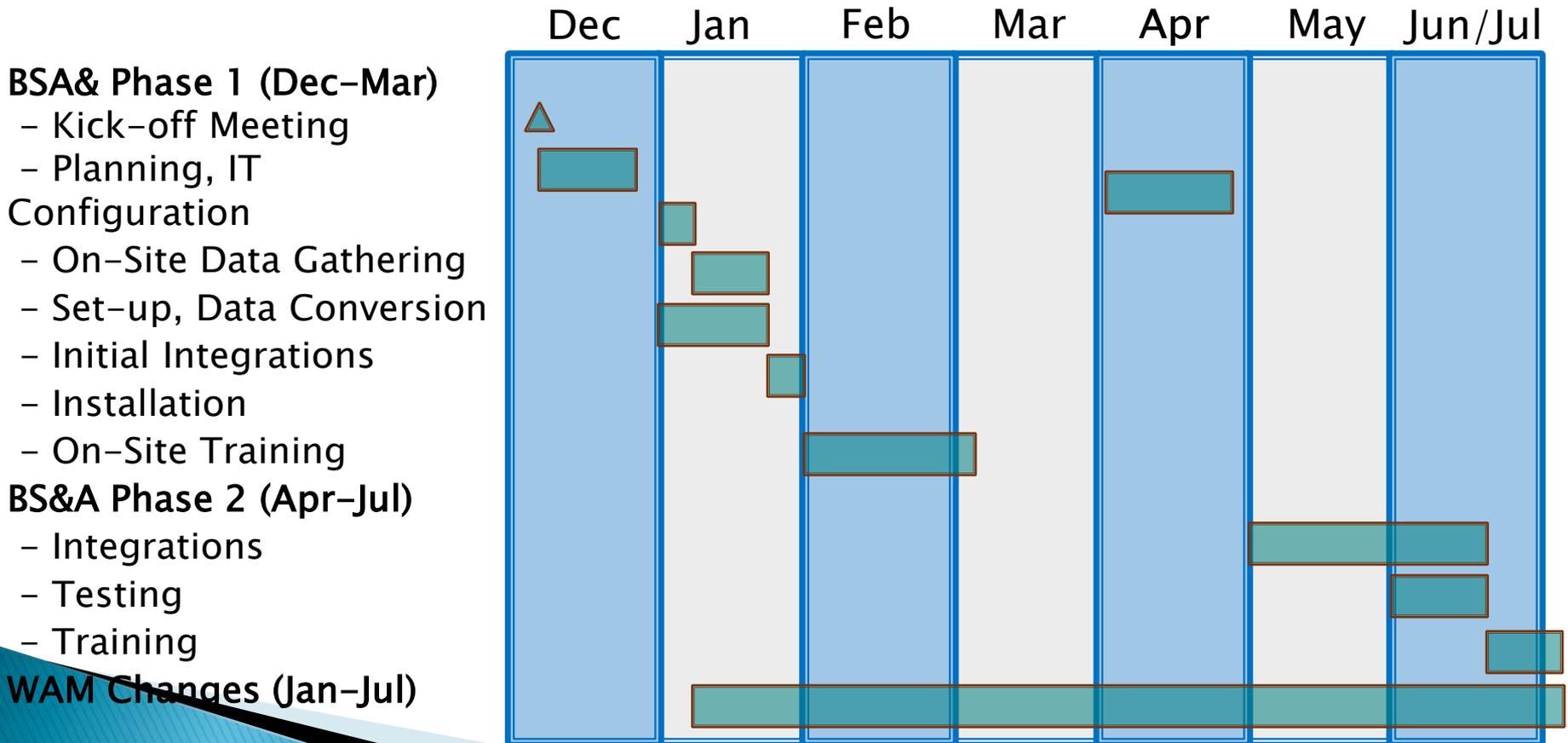
Notes:

- (1) Four procurement staff to process purchase orders in first year
- (2) Additional IT personnel to support on-premises BS&A software
- (3) Increase annual WAM support costs estimated at \$600,000 to be shared with DWSD-R
- (4) Additional time using Oracle DRMS after March 2016 will average \$130k per month
- (5) Based on AST estimate for DWSD to license its own instance of Oracle Cloud from Spring 2015. Actual cost will vary
- (6) GLWA no longer has employees with knowledge of Fusion design and testing requiring additional resources
- (7) GLWA anticipates some support required from City IT staff to maintain and operate Oracle

BS&A and WAM Timeline

The BS&A implementation would occur in 2 phases:

- ▶ Phase 1: Core Functions: GL, AP, Budgeting, Procurement, Billing
- ▶ Phase 2: More robust interfaces, Fixed Assets, additional data



Next Steps

- ▶ GLWA asked to authorize project budget of \$3 million for BS&A/multi-plant WAM solution
- ▶ Finalize scope change order and timeline from BS&A, Oracle, HP, Plante & Moran, and others by 12.8.2015
- ▶ Engage cross-functional (DWSD-R + GLWA divisions) implementation teams and cross-entity (DWSD-R + GLWA + City of Detroit) steering team to align resources, priorities, timeline, and identify/mitigate risks such as:
 - Recognized nature of start-up entity (GLWA)
 - Reprioritization of 5-year GLWA/DWSD-R IT transition plan
 - Re-evaluation of organizational priorities
 - Reassignment of key personnel

Great Lakes Water Authority
Resolution 2015 - 12 - 02
RE: Schedule of 2016 Meetings

By Board Member: _____

Whereas The Board of Directors (Board) of the Great Lakes Water Authority (GLWA) wishes to establish an annual schedule of meetings for 2016 as required by the Michigan Open Meetings Act and to allow future customers and the public-at-large to be aware of and have the opportunity to participate in GLWA meetings; and

Whereas As a part of its regularly scheduled meetings, the Board wishes to schedule Workshop presentations on relevant topics as a part of its regular meeting schedule; and

Whereas The Board is required by its Articles of Incorporation to meet on at least a quarterly basis; and

Whereas The Board is also aware that in addition to these regularly scheduled meetings the GLWA may from time-to-time require additional special meetings and it is the intent of the Board to make future customers and the public-at-large aware of those meetings as required by the Michigan Open Meetings Act and other applicable laws,

Now, Therefore Be It:

Resolved That the following schedule of meetings for the GLWA is adopted:

Wednesday January 13, 2016, 1pm Workshop Meeting

Wednesday January 27, 2016, 2pm Monthly meeting

Wednesday February 10, 2016, 1pm Workshop Meeting

Wednesday February 24, 2016 2pm Monthly meeting

Wednesday March 9, 2016, 1pm Workshop Meeting

Wednesday March 23, 2016, 2pm Monthly meeting

Wednesday April 13, 2016, 1pm Workshop Meeting

Wednesday April 27, 2016, 2pm Monthly meeting

Wednesday May 11, 2016, 1pm Workshop Meeting

Wednesday May 25, 2016, 2pm Monthly meeting

Wednesday June 8 2016, 1pm Workshop Meeting

Wednesday June 22, 2016, 2pm Monthly meeting

Wednesday July 13, 2016, 1pm Workshop Meeting

Wednesday July 27, 2016, 2pm Monthly meeting

Wednesday August 10, 2016, 1pm Workshop Meeting

Wednesday August 24, 2016, 2pm Monthly meeting

Wednesday September 14, 2016, 1pm Workshop Meeting

Wednesday September 28, 2016, 2pm Monthly meeting

Wednesday October 12, 2016, 1pm Workshop Meeting

Wednesday October 26, 2016, 2pm Monthly meeting

Wednesday November 9, 2016, 1pm Workshop Meeting

Wednesday November 30, 2016, 2pm Monthly meeting

Wednesday December 14, 2016, 1pm Workshop Meeting

Thursday December 22, 2016, 2pm Monthly meeting, **And Be It Further**

Resolved That, unless otherwise indicated, meetings of the Board shall be held in the Board Room, 5th Floor, 735 Randolph, Detroit, Michigan, **And Be It Further**

Resolved That, meetings of the Board shall be posted as required by the Michigan Open Meetings Act, **And Be It Finally**

Resolved That, this schedule of meetings may be amended at any time by a majority vote of the Board.

Adopted by the Great Lakes Water Authority Board on: _____