

Welcome to the July edition of *The Procurement Pipeline*, a monthly newsletter designed to provide informative updates on doing business with the Great Lakes Water Authority (GLWA). This edition of *The Pipeline* focuses on the Michigan Sales and Use Tax as it relates to the vendor community and provides a link to GLWA's most recently issued Coronavirus Memorandum. Thanks to the efforts of GLWA team members and the vendor community, we continue to take the utmost precautions in maintaining workplace safety while we operate in these unusual times.

Michigan Sales and Use Tax for the GLWA Vendor Construction Community

Recently, there have been some questions within the GLWA vendor community regarding the extension of GLWA's tax-exempt status to our construction contracts. We would like to provide some clarification on this matter.

As a governmental entity, GLWA is tax-exempt. This means that all tangible property that *GLWA procures directly for its own use* is also considered tax-exempt. As such, GLWA Vendors may request our [Michigan Sales and Use Tax Certificate of Exemption](#).

However, GLWA's tax exempt status **does not** extend to our vendors in the scenario outlined below. In summary, we have been advised that the State of Michigan Tax Law provides for the following guidelines:

- A contractor or subcontractor who constructs, alters, repairs, or improves real estate for others **is recognized as the user or consumer of all goods and materials that they purchase for use in providing their services.**
- As the user or consumer of these purchased goods and materials affixed to and becoming part of GLWA realty, the contractor or subcontractor cannot claim tax exempt status.
- The contractor or subcontractor is therefore responsible for paying the sales tax.

We strongly encourage all GLWA vendors to consult with their own tax advisors when determining whether they will be responsible for payment of sales or use taxes and, therefore,

whether such costs should be included in their bid prices. If a GLWA vendor does not include sales or use tax in their bid prices, and later finds out that they need to pay them, GLWA cannot amend the contract to reimburse for these costs. If you have additional questions regarding the payment of sales or use taxes, then please contact your tax advisor or accounting team.

Coronavirus Update #54: Vendor COVID-19 Requirements and Related Forms

On Tuesday July 7, GLWA issued a new coronavirus memorandum providing updates and several points of clarification on GLWA's protocols and procedures for Vendor COVID-19 Requirements. The following topics are addressed in Coronavirus Update #54.

1. Second option for compliance with the one-time mandatory Vendor COVID-19 Testing Requirement
2. Information security protocol
3. Testing requirements for delivery drivers
4. Process and approval routes for Visitor Questionnaire and Vendor COVID-19 Testing Documentation
5. Critical Infrastructure Provider Letters are no longer necessary

The full memorandum and related forms (the Visitor Questionnaire Form and Vendor COVID-19 Testing Submittal Form) may be found on the [GLWA website](#). We thank the vendor community for their continuing cooperation with these safety measures. If you have any additional questions regarding these matters, then please contact Michael Lasley (michael.lasley@glwater.org) and Megan Torti (megan.torti@glwater.org).

What's Coming Down the Pipe?

Current Solicitations: Be sure to register in [Bonfire](#) to monitor new solicitations and contract awards.

Upcoming Procurements: Next Three to Nine Months - See page 2

Visit GLWA online! See the Vendors page at www.glwater.org or contact us via email at procurement@glwater.org.

Upcoming Solicitations July 2020

Category	Description	Budget Estimate
Water System (next three months)		
Construction	2001456 SPWTP 1958 Settled Water Conduit and Loading Dock Concrete – Springwells Water Treatment Plant (CIP #114016)	\$1,652,000
Maintenance Services	5-Year Sludge Removal and Disposal Services at Northeast, Springwell's & Southwest Water Plants	\$55,000,000
Design Build	Garland, Hurlbut, Bewick Water Transmission System Rehabilitation	\$5,000,000
Construction	1904231 – Flocculator Improvements – Northeast Water Treatment Plant (CIP #112006)	\$2,700,000
Engineering	North Service Center Pumping Station Improvements (CIP # 132016)	\$10,000,000
Wastewater System (next three months)		
Design	Oakwood HVAC Improvements	\$500,000
Design	Study and Design of NWI Relief Sewer to Oakwood RTB	\$5,000,000
Design	Rehabilitation of Remaining CSO Outfalls and Some Trunk Sewers	\$7,000,000
Construction	Baby Creek Gate Repair	\$155,000
Construction	Baby Creek Chemical Feed Tank Repair	\$250,000
Construction	WRRF Rehabilitation of Ferric Chloride Feed System in PS-1 and Complex B Sludge Lines (CIP #211008)	\$7,500,000
Water System (next four to nine months)		
Design Build	WTP Ovation Workstation Upgrade Project (CIP 170303)	TBD
Construction	Springwells Water Treatment Plant Medium Voltage Electrical System Replacement (CIP #114002 Project B)	\$30,000,000
Design Build	Southwest Water Treatment Plant Chlorine Scrubber and Raw Water Screen Replacement (CIP #113006)	\$6,000,000
Wastewater System (next four to nine months)		
Progressive Design Build	Baby Creek Outfall Improvements Projects (CIP #277001)	TBD
Design	St. Aubin Chemical Disinfection & Screening Improvements	TBD
Design	Control System Upgrade – St. Aubin, Lieb, and 7 Mile CSO Facilities	TBD
Design	WRRF Rehabilitation of the Circular Primary Clarifier Scum Removal System (CIP #211009)	\$1,000,000
Design	WRRF Improvements to Sludge Feed Pumps at Dewatering Facilities (CIP #213006)	TBD
Design	WRRF Rehabilitation of the Secondary Clarifiers (CIP #212007)	\$700,000
Maintenance	Crane Services	TBD
Services	Actuator Maintenance	TBD
Maintenance	UPS Maintenance and Repair Services (CSO/WRRF)	TBD
Construction	Rehabilitation of Outfalls – Phase III (B-39)	\$7,000,000
Construction	Rehabilitation of Woodward Sewer	\$26,000,000
Construction	Rehabilitation of CSO Outfall Backwater Gates	\$5,000,000
Enterprise (next four to nine months)		
Information Technology	Project Management Information System	TBD
Facilities	HVAC Repairs and Maintenance	TBD

Vendors should continue to monitor [Bonfire](#) for solicitation updates.

Acronyms	
WRRF: Water Resource Recovery Facility	CSO: Combined Sewer Overflow