

RESOLUTION

By Commissioner _____:

WHEREAS, the Detroit Water and Sewerage Department (DWSD) has engaged EMA to perform an preliminary organizational review to determine if and in what ways DWSD may improve efficiency of operations and contain costs; and

WHEREAS, the result of the preliminary review have been presented and discussed with this Board by the Director and EMA in a public meeting; and

WHEREAS, the Director of DWSD recommends that EMA be engaged to perform additional review and to assist in the implementation of certain organizational changes, including but not limited to Job and Business Process Designs, IT Systems, and Outsourcing Services; and

WHEREAS, in making this recommendation, the Director has again advised this Board that the results obtained during this additional review may differ from those obtained during the preliminary review; and

WHEREAS, this Board believes that additional review by EMA as recommended by the Director is in the best interests of DWSD and its customers.

NOW THEREFORE BE IT RESOLVED THAT:

1) The Board of Water Commissioners hereby authorizes the Director to engage, negotiate and execute a professional services contact (the Contract) with EMA, Inc. for a term of five years in an amount not to exceed \$48,000,000.00 to perform additional organizational review and implementation services including Job and Business Process Design, IT systems, and Outsourcing services, subject to the prior review by the Legal Committee and recommendation of DWSD's General Counsel.

2) In granting the authorization for the Contract, it is the Board's understanding that The Contract may include costs as follows: \$19,280,436.00 for consulting services and expenses for EMA, Inc., \$21,114,000.00 associated with assessment, outsourcing, managing and administering the outsourcing of non-core DWSD functions during the five year period as jointly recommended by EMA and DWSD Management, and a contingency reserve on the subtotal of each of those expenses (less the EMA expense line of \$2,514,839.55) of 20%, equaling \$7,575,919.40.

3) Prior to execution of the Contract, the Director shall consult with DWSD General Counsel to insure that the Contract is in acceptable form and that DWSD may terminate the contract with or without cause at any time during its term without incurring liability for remaining portions of the engagement.

4) The Contract between DWSD and EMA shall also provide that any outsourced contracts or sub-contract to EMA resulting from or related to this engagement may be assigned to DWSD, at its request, and without additional cost for that assignment.

5) During the term of the Contract, the Director shall supply this Board with a monthly status report including changes to DWSD staffing levels and a quarterly report on the financial impacts to DWSD.

6) When soliciting, engaging, hiring, outsourcing, subcontracting, or contracting with any vendor in connection with the performance of services under the Contract, EMA shall utilize and abide by the DWSD Purchasing Policy adopted by this Board, including but not limited to the Price Equalization Credits for Detroit based Businesses, Detroit Resident Businesses, Joint ventures, Mentor Ventures, and Customer based Businesses found in Section 5 of that Policy as well as any Local Economic Development policies adopted by the Board of Water Commissioners.