


Policy Title:	Shared Services Administration		
	OFFICE OF THE CHIEF FINANCIAL OFFICER	Category	Shared Services
		Administrative Policy #	
		Revision #	N/A
		Review Frequency	As Needed – no less frequently than triennially
Division	Shared Services	Reviewed By	Chief Financial Officer; Chief Information Officer
BOWC Approval		Last Reviewed/Update Date	
Implementation Date			

1. OBJECTIVE

- 1.1. The objective of this policy is to outline the process that is taken to evaluate the need to enter into a shared service agreement as well as the process through which shared service arrangements entered into and administered through the life of the agreement.

2. PURPOSE

- 2.1. The purpose of this policy is to establish guidelines and internal controls to be followed in administering, modifying, and reviewing agreements for Shared Services between DWSD and other Parties.

3. DEFINITIONS

“Executive Management” means the Director, Deputy Director and Chief Engineer, Chief Operating Officer, General Counsel, Chief Financial Officer (the “CFO”), Chief Information Officer, and Deputy Chief Financial Officer.

“Performing Party” means the Party that is performing a Service for a Subscribing Party pursuant to this policy.

“Services” means a service or services that a Performing Party is providing to a Subscribing Party pursuant to an SSA as provided in a Service Delivery Schedule.

“SSA” means “Shared Services Agreement”, which is a contract for a Services, as defined above.

“Service Cost” means the costs incurred by the Performing Party or required to be paid by the Performing Party. These cost sharing arrangement shall be defined within the shared service agreement.

“Service Delivery Schedule” means a record agreed upon between a Performing Party and a Subscribing Party that contains, at minimum, all of the information listed in section 6.2.1 below.

“Subscribing Party” means the party that is receiving a Service from a Performing Party pursuant to this policy.

4. SCOPE

- 4.1. This policy applies to all DWSD operations in which a shared service agreement is in effect or being considered.

5. RESPONSIBILITIES

5.1. Executive Management

- 5.1.1. Executive Management shall implement this policy and take all necessary measures to ensure this policy is adhered to. Members of the Executive Management team may delegate all or some of their authority under this policy to an appropriate party, which includes, as necessary, appointing a liaison to manage the relationship with any outside parties engaged in an SSA.

5.2. Director

- 5.2.1. The Director, or designee, is responsible for evaluating SSAs when there is a perceived fiscal or operational benefit to DWSD.
- 5.2.2. The Director is responsible for approving, up to the designated threshold, any shared service agreements.

5.3. Board of Water Commissioners (BOWC)

- 5.3.1. The BOWC is responsible for approving, at the designated threshold, any shared service agreements.

6. POLICY

6.1. Shared Services Agreements (“SSAs”)

- 6.1.1. Members of Executive Management may propose entering into an SSA with an outside party when doing so would result in one or more of the following fiscal or operational benefits:
 - 6.1.1.1. Greater efficiency of operating DWSD water and sewer systems, and/or
 - 6.1.1.2. Lower costs of operating DWSD water and sewer systems, and/or
 - 6.1.1.3. Minimizing the duplication of services and functions by DWSD, the City, and any other parties.
- 6.1.2. Should the preceding criteria be met, the member of Executive Management should summarize the business case for such an agreement for review by other Executive Managers and approval by the Director.
- 6.1.3. Shared service agreements are subject to approval by the Board of Water Commissioners.
- 6.1.4. SSA’s may be designed on a cost reimbursement basis or on a fee for service basis.

6.2. Service Delivery Schedules

- 6.2.1. Upon entering a SSA, the Subscribing and Performing Parties must develop Service Delivery Schedules containing, at a minimum, the following information:
 - 6.2.1.1. The Performing Party and the Subscribing Party;

- 6.2.1.2. Identification of the Service to be provided and how such service shall be delivered;
- 6.2.1.3. The period for which the Service is to be provided;
- 6.2.1.4. The Service Cost, which shall include a breakdown, where practicable, of each component of the Service Cost, and the charges therefore;
- 6.2.1.5. A statement of any variations of the terms of the SSA which may be reasonably necessary for the specific Service being performed;
- 6.2.1.6. If necessary, a process for determining how such Services will be provided after an initial transition period; and
- 6.2.1.7. Notice and other provisions, including Separation Costs, regarding the termination or modification of the Service under the SSA.
- 6.2.2. The parties may mutually agree to adopt new or modified Service Delivery Schedules as the need or desirability of such Services occurs or changes.
- 6.2.3. The Director, or their designee, shall maintain and update as necessary a list of primary contacts from each Party for each Service Delivery Schedule. Each Party shall ensure that the appropriate employee or officer of that Party responsible for the provision or subscription of a specific Service is kept informed of the current contact list.
- 6.2.4. Except as otherwise set forth in a Service Delivery Schedule, no Party shall be responsible for paying any separation costs.

6.3. Provision of Services by the Parties

- 6.3.1. The Performing Party shall perform, or cause to be performed, the Services as provided in each applicable Service Delivery Schedule.
- 6.3.2. In the event a Performing Party has contracted with a third party to perform all or a portion of the Services on its behalf, the provisions of the SSA shall control in the event of a conflict between the provisions of such contract and the SSA. Additionally, a Subscribing Party shall have the right to consent to the selection of any new third party contractor who will be providing all or a portion of Services on behalf of a Performing Party.
- 6.3.3. A Performing Party shall dedicate such resources as are necessary to ensure its officers, employees and contractors promptly respond to reasonable requests of the Subscribing Party in connection with the provision of Services.

6.4. Modification or Extension of Shared Service Agreements

- 6.4.1. Prior to the development of the DWSD budget for each Fiscal Year, the Director shall meet with the appropriate employees or agents of each Party to discuss and plan for any modifications to the Service Delivery Schedules for the next Fiscal Year and the anticipated need and Service Costs for any “as-needed” Services for the next Fiscal Year based on actual results in prior Fiscal Years.
- 6.4.2. Approval of a modified Service Delivery Schedule is subject to the approval thresholds identified above.

- 6.4.3. Any existing Service Delivery Schedule may be terminated in accordance with provisions outlined and agreed to in the SSA.

6.5. Annual Reconciliation

- 6.5.1. If necessary, the CFO or designee shall perform a true-up reconciling costs appropriately between each of the Parties on an annual basis.
- 6.5.2. The Performing Party shall reasonably calculate the Service Cost required to provide each Service during the next Fiscal Year, and shall notify the Subscribing Party of that Service Cost in sufficient time for the Subscribing Party to ensure the organization's fiscal year budget is sufficient to pay such Service Costs.
- 6.5.3. In the event the Performing Party incurs extraordinary and unanticipated Service Costs, the Director shall meet within thirty (30) days to discuss any reconciliation or adjustments to the amounts paid by the Subscribing Party to ensure the payment of the Service Costs.

6.6. Reasonable and Necessary Accommodations

- 6.6.1. Management may take reasonable and necessary actions to accomplish the intent of this policy.