



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

RESOLUTION 2016-1

APPROVING THE CITY’S JANUARY 2016 CONTRACT REQUESTS

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the “Act”), allows for the creation of the Detroit Financial Review Commission (the “Commission”) within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the City of Detroit (the “City”) beginning on the Effective Date of the Plan of Adjustment; and

WHEREAS, Section 6(6) of the Act provides that during the period of oversight, the Commission review and approve the City’s applicable contracts, as defined by Section 3(a) of the Act, and that an applicable contract does not take effect unless approved by the Commission; and

WHEREAS, at the Commission meeting on January 25, 2016, the City presented applicable contracts, attached as **Exhibit A** to this Resolution, for the Commission’s review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

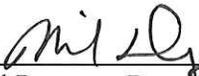
1. That the City’s January 2016 contract requests, attached as **Exhibit A** to this Resolution but excluding any contracts a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.

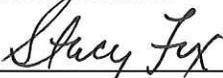
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

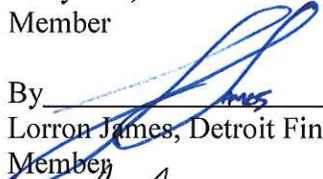
IN WITNESS WHEREOF, the members of the Commission, or their designees, have signed and adopted this Resolution.

DETROIT FINANCIAL REVIEW COMMISSION

By _____
Darrell Burks, Detroit Financial Review Commission
Member

By 
Michael Duggan, Detroit Financial Review
Commission Member

By 
Stacy Fox, Detroit Financial Review Commission
Member

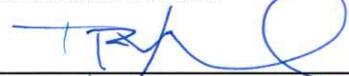
By 
Lorrion James, Detroit Financial Review Commission
Member

By 
Brenda Jones, Detroit Financial Review Commission
Member

By 
Nick A. Khouri, State Treasurer and Detroit Financial
Review Commission Member

By 
William Martin, Detroit Financial Review
Commission Member

By 
John S. Roberts, Detroit Financial Review
Commission Member

By 
Tony Saunders, Detroit Financial Review Commission
Member

Date: 01-25-2016
Detroit, Michigan

CITY OF DETROIT CONTRACT SUBMISSION TO FINANCIAL REVIEW COMMISSION
THE FOLLOWING CONTRACTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
SECTION 6, SUBSECTION 6 OF THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
 For January 25, 2016 Meeting

Prepared By: Boyisie Jackson, Chief Procurement Officer - 1/25/2016

City Council and Water Board Approvals Through January 20, 2016

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Lowest Bid? If not a New contract, was the original contract the lowest bid?	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN \$750K

1	INNOVATION AND TECHNOLOGY	2898418	<p>Contract Amount: \$2,000,000.00 Contract Period: 10/1/2014 through 9/30/2016 Source: 100% City Funding Purpose: To Provide IT Staffing Services Contractor: CW Professional Services LLC Location: 150 West Jefferson, Suite 1200, Detroit, MI 48226</p>	Funds Increase	Yes	Yes	1/12/2016	1/25/2016	<p>Total Contract Amount: \$4,000,000.00</p> <p>This Contract #1 is for increase of funds only. The original contract amount is \$2,000,000.00. This contract is exercising 1 of the 2 Renewal options. Contract began October 1, 2014 through September 30, 2016.</p>
2			<p>Contract No. 2 was excluded from the FRC approval vote on January 25, 2016. Original submission is included with 1-25-16 Detroit FRC Meeting Documents.</p>						
3	HEALTH AND WELLNESS	2902650	<p>Contract Amount: \$2,458,234.00 Contract Period: Upon FRC Approval through 9/30/2016 Source: 100% State Funding Purpose: To Provide Women Infant and Children (WIC) Nutrition Services. This Includes Program Activities, Operations, Registration, Certifications, Reporting Activities and to Implement and Assure Program Operations and Delivery of Services Contractor: Moms and Babes Too Location: 5716 Michigan Avenue, Suite B202, Detroit, MI 48210</p>	Time Extension and Funds Increase	Yes	Yes	1/19/2016	1/25/2016	<p>Total Contract Amount: \$4,274,230.00</p> <p>This Contract is for increase of funds and extension of time. Original contract amount is \$1,815,996.00 and original contract period is January 1, 2015 through September 30, 2015</p>
4	HEALTH AND WELLNESS	2903113	<p>Contract Amount: \$1,422,696.00 Contract Period: 10/1/2015 through 9/30/2016 Source: 100% State Funding Purpose: To Provide Women Infant and Children (WIC) Nutrition Services. This Includes Program Activities, Operations, Registration, Certifications, Reporting Activities and to Implement and Assure Program Operations and Delivery of Services Contractor: Arab Americans & Chaldean Council Center Location: 363 W. Big Beaver Road, Suite 300, Troy, MI 48084</p>	Time Extension and Funds Increase	Yes	Yes	1/19/2016	1/25/2016	<p>Contract Increase: \$1,422,696.00 – Total Contract Amount: \$2,474,105.00</p> <p>This Contract is for increase of funds and extension of time. Original contract amount is \$1,051,409.00 and original contract period is January 1, 2015 through September 30, 2015</p>

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WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K

5	GENERAL SERVICES	2842754	<p>Contract Amount: \$500,000.00 Contract Period: 6/1/2011 through 5/31/2016 Source: 100% QOL Funding Purpose: To Provide Repair Service, Genuine Warrantable Parts and/or Repair Contractor: R&R Fire Truck Repair, Inc. Location: 751 Doheny, Northville, MI 48167</p>	Funds Increase	Yes	Yes	12/17/2015	1/25/2016	<p>Total Contract Amount: \$1,300,000.00</p> <p>This Contract is for increase of funds only. Original contract amount is \$800,000.00 Last contract approved in May 2015 by FRC for \$400,000.00</p>
6	GENERAL SERVICES	2895761	<p>Contract Amount: \$655,680.00 Contract Period: Upon FRC Approval through 6/30/2017 Source: 100% City Funding Purpose: To Provide Repair Services to HVAC Equipment Contractor: Systemp Corporation Location: 3909 Industrial Drive, Rochester Hills, MI 48309</p>	Funds Increase	Yes	Yes	1/12/2016	1/25/2016	<p>Total Contract Amount: \$3,520,680.00</p> <p>This Contract is for increase of funds. Last contract increase was \$765,000.00, approved by FRC in February 2015.</p> <p>Original contract period is 7/1/14 through 6/30/17</p>
7	TRANSPORTATION	2868174	<p>Contract Amount: \$300,000.00 Contract Period: 9/11/2015 through 9/10/2016 Source: 100% City Funding Purpose: To Provide Coach Tires Contractor: Shrader Tire & Oil, Inc. Location: 25445 W. Outer Drive, Melvindale, MI 48122</p>	Time Extension and Funds Increase	Yes	Yes	12/17/15	1/25/2016	<p>Total Contract Amount: \$1,605,000.00</p> <p>Original contract amount is \$1,305,000.00 and Original contract period is April 20, 2015 through September 10, 2015.</p>
8	HOUSING AND REVITALIZATION	2915140	<p>Contract Amount: \$145,833.00 Contract Period: 7/1/2015 through 6/30/2016 Source: 100% City Funding Purpose: To Provide Assistance to Private Companies and Organizations to Assist them in Locating/Relocating in the City of Detroit and Create/Retain Jobs to the Low and Moderate Income People of the City Of Detroit, etc. Contractor: Detroit Economic Growth Corporation Location: 500 Griswold, Suite 2200, Detroit, MI 48226</p>	Funds Increase	No Intergovernmental Agreement	N/A	1/19/2016	1/25/2016	<p>Total Contract Amount: \$1,012,833.00</p> <p>This Contract is for increase of funds only. The original contract amount is \$867,000.00</p>

CONTRACTS GREATER THAN 2 YEARS

			No Contracts Submitted for this Category						
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DEPARTMENT OF WATER AND SEWERAGE CONTRACTS

CONTRACTS GREATER THAN \$750,000.00

9	Water and Sewerage	2876120 (DWS-894 Chg Order# 3)	<p>Contract Amount Not to Exceed: \$8,399,999.50 [\$1,800,000 Increase] Contract Period: 6/25/13 - 12/21/16 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Provide Crews to Assist DWSD in Service Management of Delinquent Residential & Commercial Accounts Incl. Terms Subject to 5% Price Reduction & Disallowance of Reimbursement for Material Terms Contractor: Homrich Wrecking, Inc. (Roger Homrich, President) Location: 4152 Central Avenue, Detroit, MI 48210</p>	Funds Increase	Yes	Yes	N/A; below \$2 mil approval requirement for contracts relative to Goods & Services	Approved 1/20/2016 BOWC	100% of award expended to date (incl. \$1.1 mil in material reimbursement fees) which is insufficient given 9,000 delinquent accounts eligible for shut-off & potential defaults on installment agreements with 43,000 accounts as of Dec 2015 (\$31.2-\$36.4 mil in financial risk collectively); incremental funding required to maintain increased avg of 2,148 work orders/month (30% increase) that has contributed to long term collection rate increase from 85% to 88-90% (potential \$7-\$11 mil in cashflow); FRC Approval previously issued on 6/22/15 for Chg Order#2 at \$1,000,000 & 18-mo. extension. BOWC Finance sub-committee reviewed and approved on 1/14/2016. ORCAP review and BOWC review pending.
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CONTRACTS GREATER THAN 2 YEARS

			No Contracts Submitted for this Category						
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WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K

			No Contracts Submitted for this Category						
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