

CITY OF DETROIT

Office of the Chief Financial Officer

Financial Report for the Five Months ended November 30, 2017

January 29, 2018



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Executive summary

- The Office of the Controller is finalizing the FY 2017 Comprehensive Annual Financial Report (CAFR), which is expected to be issued by January 31, 2018.
- The Budget Director's Hearings with departments are underway as part of developing the FY 2019-2022 Four-Year Financial Plan. The Office of Budget is also preparing updated revenue estimates for review at the February 2018 Revenue Estimating Conference, which will be held on February 14, 2018.
- In late December, Standard and Poor's upgraded Detroit's issuer credit rating to B+ from B with a stable outlook.
- FY 2018 is currently projected to end with an operating surplus of approximately \$24.6M.
 - Revenue projections remain in line with the September 2017 Revenue Estimating Conference results, which are above the February 2017 revenue estimates used for the adopted budget. (page 3)
 - Payroll and employee benefit expenditures are trending below budget as a result of position vacancies. (page 3)
 - The General City active employee count decreased in November due to the departure of seasonal employees. (page 4)
- The November YTD General City property tax collection rate of 52% has improved over the prior year. Only a portion of the tax roll has come due to date. (page 7)
- Accounts Payable as of November had a net decrease of \$11.2M compared to October. Net AP not on hold had a net decrease of \$12.4M. The number of open invoices not on hold decreased by 1,356, of which 657 were current. (page 8)
- With respect to exit financing, one new project was approved in November for the OCFO Payroll Division. (page 9)
- In November, there was a net public funding increase for the City of \$1.4M, which includes one new grant and one grant increase for the Detroit Police Department. There was \$500,000 in new private funds to support City priorities, including \$400,000 for Project Clean Slate, an initiative to help Detroiters with prior convictions obtain employment by clearing their records. (page 10)



FY 2018 year-to-date general ledger actuals and annualized projection

GENERAL FUND

\$ in millions

REVENUE:

Municipal Income Tax	\$ 98.9	\$ 119.4	\$ -	\$ 119.4	\$ 20.5	20.7%	\$ 283.3	\$ 292.1	\$ 8.9
Property Taxes	59.8	62.3	-	62.3	2.6	4.3%	124.0	124.0	-
Wagering Taxes	72.3	77.6	-	77.6	5.4	7.4%	177.8	179.0	1.2
Utility Users' Tax	14.6	8.9	4.8	13.7	(0.9)	(6.2%)	35.0	38.9	3.9
State Revenue Sharing	32.9	34.0	-	34.0	1.0	3.2%	196.7	198.8	2.0
Sales and Charges for Services	52.9	23.8	5.7	29.5	(23.3)	(44.2%)	121.1	120.6	(0.4)
Licenses, Permits, and Inspection Charges	5.8	2.9	-	2.9	(2.8)	(49.2%)	11.7	12.3	0.7
Contributions and Transfers (5)	26.1	10.3	-	10.3	(15.8)	(60.4%)	68.1	68.1	(0.0)
Grants and Other Revenues	0.6	0.3	-	0.3	(0.3)	(52.9%)	0.8	0.9	0.2
Fines, Forfeits and Penalties	10.5	8.3	-	8.3	(2.3)	(21.5%)	25.3	25.0	(0.3)
Revenues from Use of Assets	1.4	1.1	-	1.1	(0.3)	(22.3%)	3.3	3.4	0.1
Other Taxes, Assessments, and Interest	3.0	4.9	-	4.9	1.8	60.6%	7.3	6.8	(0.5)
Sales of Assets and Compensation for Losses	2.3	0.1	-	0.1	(2.2)	(94.8%)	5.6	1.9	(3.7)
Miscellaneous	5.2	4.0	-	4.0	(1.2)	(23.2%)	12.4	9.7	(2.6)
Adjust for Prior Year Carry-forward (6)	90.0	-	120.7	120.7	30.7		120.7	120.7	-

TOTAL (L)

	YTD ANALYSIS						ANNUALIZED PROJECTION ANALYSIS		
	BUDGET	ACTUAL + ADJUSTMENTS + ENCUMBRANCE			VARIANCE (BUDGET VS. ACTUAL)		BUDGET	PROJECTION	VARIANCE (BUDGET VS. PROJECTION)
	YTD	ACTUAL (2)	ADJUSTMENTS + ENCUMBRANCE (3)	TOTAL	YTD		ANNUAL	ANNUAL	ANNUAL
	AMENDED (1)				(F) F = E-B	% G = (F/B)	AMENDED	ESTIMATED (4)	ESTIMATED
B	C	D	E = C + D			H	I	(J) J = I-H	
	\$ 476.3	\$ 358.0	\$ 131.2	\$ 489.1	\$ 12.8	2.7%	\$ 1,192.9	\$ 1,202.3	\$ 9.4

EXPENDITURES:

Salaries and Wages	\$ (180.9)	\$ (162.3)	\$ -	\$ (162.3)	\$ 18.7	10.3%	\$ (427.9)	\$ (418.4)	\$ 9.4
Employee Benefits	(167.3)	(149.0)	-	(149.0)	18.3	10.9%	(278.1)	(272.8)	5.3
Professional and Contractual Services	(34.6)	(20.8)	(16.4)	(37.1)	(2.5)	(7.2%)	(78.9)	(82.3)	(3.4)
Operating Supplies	(17.3)	(17.6)	(18.3)	(35.9)	(18.6)	(107.9%)	(40.1)	(39.3)	0.8
Operating Services	(53.7)	(30.8)	(7.0)	(37.9)	15.8	29.5%	(121.0)	(119.3)	1.7
Capital Equipment	(0.7)	0.6	(0.5)	0.1	0.8	118.9%	(0.9)	(0.9)	-
Capital Outlays	(12.3)	(4.0)	(4.0)	(8.0)	4.3	34.6%	(29.0)	(28.7)	0.4
Debt Service	(25.5)	(19.0)	-	(19.0)	6.5	25.5%	(61.3)	(61.3)	-
Other Expenses	(81.0)	(63.6)	(2.3)	(65.9)	15.1	18.6%	(155.7)	(154.7)	1.0

TOTAL (M)

	\$ (573.2)	\$ (466.5)	\$ (48.5)	\$ (515.0)	\$ 58.3	10.2%	\$ (1,192.9)	\$ (1,177.7)	\$ 15.2
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VARIANCE (N = L + M)

	\$ (96.9)	\$ (108.5)	\$ 82.7	\$ (25.9)	\$ 71.1	N/A	\$ -	\$ 24.6	\$ 24.6
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Notes

- (1) Amended monthly budget assumes pro rata as well as seasonal distribution of annual amended budget.
- (2) Year-to-date actuals reflect five months ending November 30, 2017.
- (3) Reflects encumbrances and pending adjustments.
- (4) Projected revenues are based on the City's September 2017 Revenue Estimating Conference results.
- (5) This revenue line also includes the use of fund balance totaling \$50M to support one-time spending on capital (\$20M) and blight (\$30M).
- (6) This revenue line reflects fund balance assigned to support prior year encumbrances and carry-forwards, for which equivalent amounts are captured within expenditures.



Monthly active employee count compared to budget

	MONTH-OVER-MONTH ACTUAL ⁽¹⁾			BUDGET VS. ACTUAL		
	Actual October 2017	Actual November 2017	Change Nov. 2017 vs. Oct. 2017	Amended Budget FY 2018 ⁽²⁾	Variance Under/(Over) Budget vs. November 2017	
Public Safety						
Police	3,053	3,065	12	3,121	56	2%
Fire	1,171	1,143	(28)	1,274	131	10%
Total Public Safety	4,224	4,208	(16)	4,395	187	4%
Non-Public Safety						
Office of the Chief Financial Officer	426	423	(3)	482	59	
Public Works - Regular	374	375	1	419	44	
Public Works - Seasonal	26	17	(9)	26	9	
Health	63	64	1	76	12	
Human Resources	95	95	0	108	13	
Housing and Revitalization	77	78	1	91	13	
Innovation and Technology	95	98	3	134	36	
Law	108	105	(3)	118	13	
Mayor's Office (includes Homeland Security)	71	72	1	72	0	
Planning and Development	31	31	0	41	10	
Recreation - Regular	276	265	(11)	326	61	
Recreation - Seasonal	0	0	0	264	264	
General Services - Regular	330	337	7	504	167	
General Services - Seasonal	149	25	(124)	219	194	
Legislative ⁽³⁾	246	247	1	259	12	
36th District Court	315	313	(2)	331	18	
Other ⁽⁴⁾	107	107	0	110	3	
Total Non-Public Safety	2,789	2,652	(137)	3,580	928	26%
Total General City	7,013	6,860	(153)	7,975	1,115	14%
Enterprise						
Airport	4	4	0	4	0	
BSEED	204	207	3	230	23	
Transportation	915	940	25	927	(13)	
Municipal Parking ⁽⁵⁾	78	77	(1)	95	18	
Water and Sewerage	506	510	4	579	69	
Library	296	302	6	332	30	
Total Enterprise	2,016	2,040	37	2,167	127	6%
Total City	9,029	8,900	(116)	10,142	1,242	12%

Notes:

- (1) Actuals are based on active employees only (both permanent and temporary) and include full-time, part-time, seasonal employees and PSCs if funded by vacant budgeted positions.
- (2) Amended Budget reflects amendments and other adjustments impacting approved position counts compared to the original budget. It excludes personal services contractors (PSCs).
- (3) Includes: Auditor General, Inspector General, Zoning, City Council, Ombudsperson, City Clerk, and Elections.
- (4) Includes: Civil Rights Inclusion & Opportunity, Administrative Hearings, Public Lighting Department, and Non-departmental.
- (5) The October 2017 count for Municipal Parking has been revised.



FY 2018 year-to-date net cash flows

For 5 Months Ending November 30, 2017

\$ in millions

Cash Flows - General Pool Cash

	FY18 Actual 5 Months	FY17 Actual 5 Months	Variance
Property Taxes	\$ 76.0	\$ 73.0	\$ 3.0
Municipal Income Taxes	115.9	108.2	7.7 (1)
Utility Users Taxes	9.1	7.7	1.5
Wagering Taxes	78.0	77.4	0.6
State Revenue Sharing	67.3	97.8	(30.6) (2)
Other / Misc.	105.6	86.0	19.6 (3)
Total Receipts	451.9	450.1	1.9
Salaries and Wages	(182.4)	(171.3)	(11.1) (4)
Employee Benefits	(51.4)	(56.5)	5.1 (5)
Materials, Contracts & Other	(165.8)	(169.3)	3.5
Total Disbursements	(399.5)	(397.1)	(2.5)
Operating Surplus (before Reinvestment)	52.4	53.0	(0.6)
Debt Service	(30.6)	(34.6)	4.0 (6)
Non-Financing Adjustments	0.0	3.4	(3.4) (7)
Total Adjustments to arrive at Net Cash Flow	(30.6)	(31.2)	0.6
Net Cash Flow	\$ 21.8	\$ 21.8	\$ 0.0
Beginning cash balance	\$ 186.3	(8)	(9)
Net Cash Flow	21.8		
Ending cash balance	208.1	(8)	
Budget Reserve Fund	62.3	(10)	
Total Cash Balance	\$ 270.4		

Notes:

This schedule represents cash inflows and outflows during the fiscal period. It is not intended to tie to actual revenues and expenditures recorded in the general ledger due to accrual accounting and non-cash transactions.

- (1) Variance is attributed to a year over year increase in Individual and Extension payments.
- (2) June 2016 State Revenue Sharing cash receipt arrived in early FY17 instead of during FY16.
- (3) FY18 includes \$19.5m MDOT receipt for Gordie Howe Municipal Bridge Project.
- (4) Increase in FY18 payroll attributed to salary increases and additional positions filled.
- (5) The YTD amount of set aside for the Retiree Protection Fund was less in FY18 than in FY17. FY18 was \$15 million v. \$30 million in FY17.
- (6) The August 2016 refunding of the 2010 Distributable State Aid notes resulted in reduced outflow for debt service.
- (7) In FY17 the General Fund received a \$3.4m inflow of excess self-insurance dollars.
- (8) The main operating pool contains cash balances of the Risk Management Fund, Street Fund, Solid Waste Fund, General Grants and Motor Vehicle Fund.
- (9) Beginning balance has been reduced to reflect the removal of Fund 7003 (Prop Tax Distributions) and State of MI Trust Fund Balance because the balances in these accounts are not available General Fund dollars.
- (10) The Budget Reserve Fund is in excess of 5% of the annual budget and in a segregated account.



FY 2018 year-to-date cash flow to general ledger reconciliation

For 5 Months Ending November 30, 2017

\$ in millions

Cash Flows	Cash Activity				General Fund General Ledger				Difference
	General Pool	Adjustments	General Fund		Posted	To Be Posted (1)	Total		
Property Taxes	\$ 76.0	\$ (13.7)	\$ 62.3	(2)	\$ 62.3	\$ -	\$ 62.3	\$ 0.0	
Municipal Income Taxes	115.9	3.5	119.4	(3)	119.4	-	119.4	0.0	
Utility Users Taxes	9.1	(0.2)	8.9	(4)	8.9	-	8.9	0.0	
Wagering Taxes	78.0	(0.4)	77.6	(5)	77.6	-	77.6	0.0	
State Revenue Sharing	67.3	(33.3)	34.0	(6)	34.0	-	34.0	0.0	
Other / Misc.	105.6	(44.2)	61.4	(7)	55.7	5.7	61.4	0.0	
Total Receipts	452.0	(88.3)	363.7		358.0	5.7	363.7	0.0	
Salaries and Wages	(182.4)	20.1	(162.3)	(8)	(162.3)	-	(162.3)	0.0	
Employee Benefits	(51.4)	(97.6)	(149.0)	(9)	(149.0)	-	(149.0)	0.0	
Materials, Contracts & Other	(165.8)	29.6	(136.2)	(10)	(136.2)	-	(136.2)	0.0	
Total Disbursements	(399.6)	(48.0)	(447.5)		(447.5)	-	(447.5)	0.0	
Operating Surplus (before Reinvestment)	52.4	(136.2)	(83.8)		(89.5)	5.7	(83.8)	0.0	
Debt Service	(30.6)	11.6	(19.0)	(11)	(19.0)	-	(19.0)	0.0	
Non-Financing Adjustments	-	-	-		-	-	-	-	
Total Adjustments to arrive at Net Cash Flow	21.8	(124.7)	(102.8)		(108.6)	14.7	(102.8)	0.0	
Net Inflows /(Outflows)	\$ 21.8	\$ (115.7)	\$ (93.9)		\$ (108.6)	\$ 14.7	\$ (93.9)	\$ 0.0	

Notes:

- (1) To be posted amounts represent collections and disbursements that were not recorded as of November 30, 2017.
- (2) \$26m pertains to FY17 offset by \$12.3m of Q1 revenue either received in November or pending distribution to the General Fund.
- (3) Differences due to changes in refund liability.
- (4) \$0.2m of Utility Users Tax collected in FY2018 pertained to FY17.
- (5) \$1.0m of Wagering Taxes collected in FY2018 pertained to FY17 offset by \$0.6m collected in December.
- (6) \$33.3m State Revenue Sharing receipt pertained to FY17.
- (7) \$20.8m non-General Fund 1000 receipts, \$12.9m of collections are cash specific, and \$16.5 pertained to prior years offset by \$6m Gaming Revenue accrual.
- (8) Approximately \$18.3m of the difference relates to FY17 activity and the balance is non-General Fund disbursements.
- (9) Approximately \$1.4m of Benefits is FY17 activity & \$17.2m attributed to the timing of payments offset by \$90m relating to prior years RPF set aside & \$26.3m FY18 Pension obligation.
- (10) Approx. \$32.7m are non-General Fund, \$23.7m related to FY17 offset by \$2.7m PLD payment due to timing and \$24.1m Risk Management & insurance premium non-cash transfers.
- (11) \$6.6m represents Pledged Income Tax Trustee Capture Interest, \$5m State Revenue Sharing debt set aside.



FY 2018 year-to-date property tax collections

For 5 months ended November 30, 2017

\$ in millions

	FY 2018			FY 2017		
	Adjusted Tax Roll	Collections YTD (1)	Collection Rate YTD	Adjusted Tax roll	Collections YTD (1)	Collection Rate YTD
General Ad Valorem		\$ 58.5			\$ 59.0	
General Special Acts		1.7			1.8	
General Total	\$ 115.7	\$ 60.2	52.03%	\$ 120.7	\$ 60.8	50.37%
Debt Service Total	\$ 51.1	\$ 26.7	52.25%	\$ 62.0	\$ 31.4	50.65%
Solid Waste Total	\$ 52.8	\$ 20.4	38.64%	\$ 54.8	\$ 17.6	32.12%

		FY 2018	FY 2017
General City Ad Valorem Collections YTD	(2)	\$ 58.5	\$ 59.0
Delinquent Tax Revolving Fund (DTRF) Collections YTD	(3)	3.8	5.1
Total Property Tax Collections (Ad Val + DTRF)		\$ 62.3	\$ 64.1
Admin Fee, Interest, Penalty YTD	(4)	\$ 2.7	\$ 2.7

Notes:

- (1) Amounts do not include collections from Wayne County settlement checks as a result of foreclosure and auction activity.
- (2) Amounts are net of property taxes collected by the City on behalf of DPS, State Education Trust, Wayne County and other non-City taxing authorities.
- (3) Wayne County monthly DTRF settlement checks.
- (4) Special Act, Admin Fee, Interest and Penalty are recorded in Budget's Other Taxes, Assessments, and Interest category.



Accounts payable summary

- Accounts Payable as of November had a net decrease of \$11.2M compared to October. Net AP not on hold had a net decrease of \$12.4M. The number of open invoices not on hold decreased by 1,356, of which 657 were current.

All Funds
\$ in millions

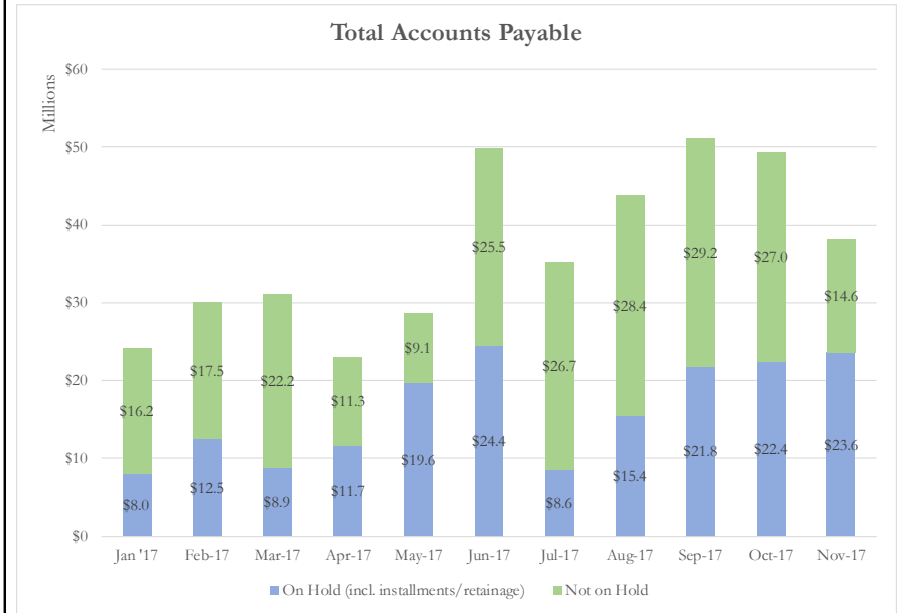
Accounts Payable (AP) as of Nov-17	
Total AP (Oct-17)	\$ 49.4
Plus: Nov-17 invoices processed	\$ 74.1
Less: Nov-17 Payments made	\$ (85.3)
Total AP month end (Nov-17)	\$ 38.2
Less: Invoices on hold (1)	\$ (22.8)
Less: Installments/Retainage Invoices(2)	(0.8)
Net AP not on hold	\$ 14.6

AP Aging
(excluding invoices on hold)

	Net AP	Current	Days Past Due			
			1-30	31-60	61+	
Nov-17. Total	\$ 14.6	\$ 11.2	\$ 1.8	\$ 0.6	\$ 1.0	
<i>% of total</i>	100%	76%	12%	4%	7%	
<i>Change vs. Oct-17</i>	\$ (12.4)	\$ (4.9)	\$ (6.0)	\$ (0.6)	\$ (0.8)	
Total Count of Invoices	879	674	92	38	75	
<i>% of total</i>	100%	77%	10%	4%	9%	
<i>Change vs. Oct-17</i>	(1,356)	(657)	(456)	(91)	(152)	
Oct-17. Total	\$ 27.0	\$ 16.1	\$ 7.8	\$ 1.3	\$ 1.8	
<i>% of total</i>	100%	60%	29%	5%	7%	
Total Count of Invoices	2,235	1,331	548	129	227	
<i>% of total</i>	100%	60%	25%	6%	10%	

Notes:

- Invoices with system holds are pending validation. Some reasons include: pending receipt, does not match purchase order quantity/price and legal holds
- Invoices on retainage are on hold until the supplier satisfies all contract obligations
- Invoices are processed and aged based on the invoice date. If the invoices were aged based on the date received the aging would show improved current category values
- DWSD amount of \$14.3M payable to Great Lakes Water Authority, which remains under negotiation, is excluded above



Exit financing utilized to jump start technology, neighborhoods, and public safety improvements

- In November, one new project was approved for the OCFO Payroll Division build-out.

\$ in millions

	Open and Closed Projects		
	Number of Projects	Amount of Approved and Authorized Projects	Total Amount Expensed
Available Exit Financing Proceeds		\$233.2	
Project Allocation:			
Department of Innovation and Technology	5	(40.6)	(37.8)
Blight	7	(25.2)	(25.2)
Police	6	(25.1)	(21.1)
Fire	11	(35.7)	(27.9)
General Services	14	(28.6)	(26.3)
Office of the Chief Financial Officer	13	(25.4)	(17.9)
Building, Safety Engineering & Environmental Department	1	(4.4)	(2.7)
Law	1	(1.1)	(1.1)
Detroit Department of Transportation	1	(1.8)	(1.8)
Recreation	1	(1.2)	(1.2)
Human Resources	2	(0.7)	(0.7)
Other	4	(0.3)	(0.3)
Subject to Reconciliation	–	–	(0.1)
Subtotal Projects	66	(\$190.2)	(\$164.2)
Post-Petition Financing Interest and Other Fees	–	(2.8)	(2.8)
Totals	66	(\$193.0)	(\$166.9)
AMOUNT RESERVED FOR PROJECTS UNDER REVIEW		\$40.2	

Note: 44 Closed Projects; Unaudited amounts subject to reconciliation.

Source: Oracle Cloud Financials, Office of Financial Planning & Analysis



The City is leveraging funding from external sources

- In November, there was a net public funding increase for the City of \$1.4M, which includes one new grant and one grant increase for the Detroit Police Department. There was \$500,000 in new private funds to support City priorities, including \$400,000 for Project Clean Slate, an initiative to help Detroiters with prior convictions obtain employment by clearing their records.

<i>\$ in millions</i>	Amount Awarded (1)		Number of Grants
	Appropriation Approved (2)	Appropriation Pending (2)	
Department/Agency			
Transportation	398.6	-	21
Housing & Revitalization	207.9	-	17
Health	37.3	-	4
Fire	30.3	-	8
Public Works	30.6	-	20
Police	22.2	-	35
Homeland Security and Emergency Management	2.8	-	8
Recreation	1.7	-	5
Other (3)	1.7	-	8
Active Federal/State grants	\$ 733.1	\$ -	126
Active private grants and donations	77.6	-	183
Total active grants and donations (4)	\$ 810.7	\$ -	309

Notes:

(1) Reflects original amounts awarded and amendments for active grants as of November 30, 2017. Remaining amount available to be spent will be lower for most departments.

(2) The amounts awarded as of November 30 are separated between grant appropriations already approved and any that may be pending approval as of the date this report is presented.

(3) Other includes departments and agencies totaling less than \$1M.

(4) The City also partners with third-party agencies to directly pursue and implement grants aligned with the City's priorities. Such grants are included above for private funds but not federal/state grants.



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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2018-1

**APPROVING THE CITY'S JANUARY 2018 BUDGET AMENDMENT
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 7(c) of the Act provides that during the period of oversight, the Commission review, modify, and approve the City's proposed and amended operational budgets and that a proposed budget or budget amendment does not take effect unless approved by the Commission; and

WHEREAS, Section 6(3) of the Act further requires the Commission to ensure that the City complies with the requirements of the Uniform Budgeting and Accounting Act; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents the City from deviating from its original general appropriations act without amending it and requires the City to amend its general appropriations act as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined; and

WHEREAS, at the Commission meeting on January 29, 2018 the City presented budget amendment requests, 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 2018 budget amendment requests, attached as **Exhibit A** to this Resolution but excluding any budget amendments 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.

CITY OF DETROIT BUDGET AMENDMENTS

THE FOLLOWING BUDGET AMENDMENTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For January 29, 2018 Meeting

FY 2017 - 2018 Grant Budget Amendments

No.	Department	Grantor	Grant / Program	Brief Description	Amount		
					Revenue	Expense	Appr. #
1	Police	Michigan State Police	Auto Theft Prevention - Grosse Pointe West Side	To Reduce Appropriation 20229 - Police East Side Action Team	(189,844.00)	(189,844.00)	
			ACTION Team	To Establish Appropriation 20481 - Grosse Pointe Action Team	210,632.00	210,632.00	
2	Police	U.S Department of Justice (USDOJ)	Community Oriented Policing Services (COPS) Grant	This grant will allow the department to hire fifteen (15) new officers and will cover costs for three (3) years.	2,464,089.00	2,464,089.00	20483
Police Total					2,484,877.00	2,484,877.00	
3	Health	Michigan Department of Health and Human Services (MDHHS)	Surge Capacity for Targeted Intervention of Hepatitis A Local Health Department Work plan grant	This grant will allow the department to coordinate a response and intervention to the recent rise in Hepatitis A cases in Southwest Michigan.	206,000.00	206,000.00	20490
4	Health	Michigan Department of Health and Human Services (MDHHS)	Sudden Unexplained Infant Death (SUID) Program	This grant will be used to facilitate bereavement support services to families and other caretakers of infants experiencing sudden death.	6,750.00	6,750.00	20482
Health Total					212,750.00	212,750.00	
5	Fire	Federal Emergency Management Agency (FEMA)	Assistance to Firefighters - Regional Request grant	This grant increase will go towards the purchase of three hundred thirty nine (339) radios and fifty (50) base stations that will be used to communicate with firefighters in the field.	126,045.00	126,045.00	20430
6	Fire	Federal Emergency Management Agency (FEMA)	Assistance to Firefighters - Operations and Safety grant	This grant increase will be used towards the purchase various equipment including monitors / defibrillators, multi-gas detectors, electric / gas powered saws etc.	189,090.00	189,090.00	20429
Fire Total					315,135.00	315,135.00	
GRAND TOTAL					3,012,762.00	3,012,762.00	



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2018-2

APPROVING THE CITY'S JANUARY 2018 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 29, 2018 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 2018, 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.

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 29, 2018

Prepared By: Boysie Jackson, Chief Procurement Officer

City Council and Water Board Approvals Through January 23, 2018

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
CONTRACTS GREATER THAN \$750K (Yes = Lowest Bid Unless Specified)									
1	WATER AND SEWAGE	WS-702 6001115	Contract Amount Not to Exceed: \$ 11,889,100 Contract Period: 02/01/2018-7/26/2019 Source: Capital Improvement Project (CIP) Funded as well as Operations & Maintenance Funded Purpose: Repair & Replacement of Water Main Systems Contractor: Lakeshore Global Corp. Location: City of Detroit	New	Yes	Yes	1/23/2018	1/29/2018	
2	WATER AND SEWAGE	WS-704 6001115	Contract Amount Not to Exceed: \$ 5,948,000 Contract Period: 02/01/2018-2/1/2020 Source: Capital Improvement Project (CIP) Funded Purpose: Water System Improvements Contractor: Lakeshore Global Corp. Location: City of Detroit	New	Yes	Yes	1/23/2018	1/29/2018	
3	WATER AND SEWAGE	CS-1874 6001167	Contract Amount Not to Exceed: \$ 2,999,280 Contract Period: 2/1/2018-2/1/2020 Source: Operations and Maintenance (O&M) Funded Purpose: Public Relations and Communication Services Contractor: Mort Crim Communications, Inc. (Consultant) Location: City of Detroit	New	Yes	Highest Ranked	1/17/2017 BOWC	1/29/2018	
4	WATER AND SEWAGE	CS-1872 6001054	Contract Amount Not to Exceed: \$ 1,699,265 Contract Period: 1/29/2018-1/29/2020 Source: Operations and Maintenance (O&M) Funded Purpose: Compliance Management Services ("CMS") Contractor: Baker Tilly (Consultant) Location: City of Detroit	New	Yes	Highest Ranked	1/17/2017 BOWC	1/29/2018	

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
5	DoIT	6001118	Contract Amount: \$2,250,000.00 Contract Period: 1/18/18 through 1/1/21 Source: 100% City Funding Purpose: To Provide Hardware, Software, Equipment and Services Contractor: CDW Government, Inc. Location: 230 North Milwaukee, Vernon Hills, IL 60061	New	Yes	Highest Ranked	1/16/2018	1/29/2018	One of Four Contracts to Provide City-Wide IT Hardware and Software.
6	LAW	2896501	Contract Amount: \$925,000.00 Contract Period: Upon City Council through 10/1/18 Source: 100% City Funding Purpose: To Provide Legal Services for Auto and General Liability Services and Programs Contractor: CMI - York Risk Services Location: One Upper Pond Road, Bldg. F, 4th Floor, Parisppany, NJ 07054	Amendment	No (Initially Approved by EM)	No (Initially Approved by EM)	1/16/2018	1/29/2018	Provides Third Party Administrative Services for No-Fault Auto Claims and General Liability Claims.
7	TRANSPORTATION	6001007	Contract Amount: \$900,000.00 Contract Period: 2/9/18 through 2/8/20 Source: 100% Federal Funding Purpose: To Provide Body Repair Services of DDOT Buses Contractor: Bus & Truck of Chicago Location: 7447 S. Central Avenue, Suite B, Bedford Park, IL 60638	New	Yes	Yes	11/21/2017	1/29/2018	Contract Provides Services for Major Repair Jobs.

CONTRACTS GREATER THAN 2 YEARS

8	GENERAL SERVICES	6001089	Contract Amount: \$525,000.00 Contract Period: 12/22/17 through 12/31/20 Source: 100% City Funding Purpose: To Provide Surveying, Environmental and Engineering Services For City Parks Contractor: Mannik & Smith Group, Inc. Location: 65 Cadillac, Ste. 3311, Detroit, MI 48226	New	Yes	Highest Ranked	1/16/2018	1/29/2018	
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	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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PREVIOUS CONTRACTS WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K

9	AUDITOR GENERAL	6000238	<p>Contract Amount: \$350,000.00 Contract Period: August 1, 2016 through June 30, 2019 Source: 100% City Funding Purpose: To Provide Comprehensive Annual Financial Report FY 2017 Contractor: Plante Moran Location: 1098 Woodward Ave., Detroit, MI 48224</p>	Amendment	Yes	Yes	1/16/2018	1/29/2018	
10	GENERAL SERVICES	6000895	<p>Contract Amount: \$274,000.00 Contract Period: Upon City Council Approval through December 14, 2018 Source: 91% Federal; 9% City Funding Purpose: To Provide Park Improvements for O'Shea Park Contractor: WCI Contractors, Inc. Location: 20210 Conner Street, Detroit, MI 48234</p>	New	Yes	Highest Ranked	1/16/2018	1/29/2018	Work to include Asphalt Walkway, Playground Repairs, etc.
11	GENERAL SERVICES	3014663 3019240	<p>Contract Amount: \$160,651.00 Contract Period: Upon City Council Approval through June 30, 2018 Source: 100% City Funding Purpose: To Provide Removal and Installation Services of Commercial and Industrial Glass Windows Contractor: W-3 Construction Company Location: 7601 Second Avenue, Detroit, MI 48202</p>	New	Yes	Yes	1/9/2018	1/29/2018	Work to be performed at 10th Police Precinct Station.
12	RECREATION	6000854	<p>Contract Amount: \$229,625.00 Contract Period: Upon City Council Approval through October 31, 2018 Source: 100% City Funding Purpose: To Provide a Lease Agreement for the Northwest Activities Center Contractor: Detroit Employment Solutions Corp. Location: 440 E. Congress, Detroit, MI 48226</p>	Amendment	Intergovernmental Agreement	Intergovernmental Agreement	1/16/2018	1/29/2018	Exercising Option to Extend Lease for Department.
13	OFFICE OF THE CHIEF FINANCIAL OFFICER	6001190	<p>Contract Amount: \$550,000.00 Contract Period: Upon City Council Approval through June 30, 2018 Source: 100% City Funding Purpose: To Provide PBCS Budget Application Support Services, primarily onsite, for Oracle Planning and Budgeting Cloud Service Contractor: Application Software Technologies (AST) Location: 1755 Park Street Suite 100, Naperville, IL 60563</p>	New	No	No	1/16/2018	1/29/2018	Using Existing Contract for Oracle Implementation

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
14	TRANSPORTATION	6000003	<p>Contract Amount: \$600,000.00 Contract Period: 4/26/16 through 4/25/18 Source: 100% Federal Funding Purpose: To Provide OEM Coach Replacement Parts to Detroit Department of Transportation. Contractor: Kirk's Automotive Location: 9330 Roselawn, Detroit, MI 48204</p>	Amendment	Yes	Yes	1/9/2018	1/29/2018	Contract to Provide Replacement Bus Parts, including; Hydraulic and Brake Components, Filters and Alternators.
15	HOUSING AND REVITALIZATION	3018343	<p>Contract Amount: \$67,468.00 Contract Period: 12/5/17 through 12/19/18 Source: 100% City Funding Purpose: To Provide Emergency Demolition for 19400 Heyden, 5091-5093 Ivanhoe, 5703-5727 28th St. Contractor: Able Demolition, Inc. Location: 5675 Auburn, Utica, MI 48317</p>	New	Yes	Yes	11/21/2017	1/29/2018	
16	HOUSING AND REVITALIZATION	3017608	<p>Contract Amount: \$168,920.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Demolition for 5855 Vancouver, 1622 J. Couzens, 1500 Military, 1044 Fernhill, 11357 Ohio, 5808 Casper, 7100 Julian, 19020 Pierson, 5623 Central Contractor: Den-Man Contractors Location: 14700 Barber Avenue, Warren, MI 48088</p>	New	Yes	Yes	11/30/2017	1/29/2018	
17	HOUSING AND REVITALIZATION	3019082	<p>Contract Amount: \$110,804.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Demolition for 12405 East McNichols, 8108 Wetherby, 8159 Mandalya, 1223-25 Drexel Contractor: Den-Man Contractors Location: 14700 Barber Avenue, Warren, MI 48088</p>	New	Yes	Yes	11/30/2017	1/29/2018	
18	HOUSING AND REVITALIZATION	6001098	<p>Contract Amount: \$473,765.50 Contract Period: 12/19/17 through 11/20/18 Source: 100% City Funding Purpose: To Provide Hazardous Regulated Materials Survey and Phase I Environmental Site Assessment Contractor: Mannik & Smith Group, Inc. Location: 65 Cadillac, Ste. 3311, Detroit, MI 48226</p>	New	Yes	Highest Ranked	11/30/2017	1/29/2018	

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
19	PLANNING AND DEVELOPMENT	6001074	<p>Contract Amount: \$660,000.00 Contract Period: Upon City Council Approval through June 30, 2019 Source: 100% Federal Funding Purpose: To Provide a Planning Study and Framework Plan for the Eastern Market and Neighborhood Business Innovation Zone for Planning and Development Contractor: Economic Development Corporation Location: 211 W. Fort St., Suite 900, Detroit, MI 48226</p>	New	Intergovernmental Agreement	Intergovernmental Agreement	11/14/2017	1/29/2018	
20	PLANNING AND DEVELOPMENT	2901645	<p>Contract Amount: \$450,000.00 Contract Period: December 31, 2017 through June 30, 2018 Source: 100% City Funding Purpose: To Provide Property Management Functions and Transaction Facilitation of City Owned Properties Contractor: Detroit Building Authority Location: 1301 Third, Suite 328, Detroit, MI 48226</p>	Amendment	Intergovernmental Agreement	Intergovernmental Agreement	1/16/2018	1/29/2018	
21	PLANNING AND DEVELOPMENT	6000443	<p>Contract Amount: \$36,600.00 Contract Period: Upon City Council Approval through June 30, 2018 Source: 100% Federal Funding Purpose: To Provide Planning and Design Services Contractor: SmithGroupJJR Location: 500 Griswold, Suite 1700, Detroit, MI 48226</p>	Amendment	Yes	Yes	11/30/2017	1/29/2018	



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: January 25, 2017
TO: Financial Review Commission Members
FROM: Kevin Kubacki, Executive Director – City of Detroit FRC

SUBJECT: Contract Summary - October 2017 City of Detroit FRC Meeting

The City has submitted 21 contracts for review/approval at the January 29, 2018 commission meeting. These contracts have been vetted by the FRC Advisory Subcommittee on Contracts and Procurement. Additionally, all of these contracts have been approved by the Office of the Chief Financial Officer, and where required, City Council. Each contract is summarized below:

Contract 1 – New DWSD Contract for Repair and Replacement of Water Main Systems

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Lakeshore Global Corp.	New Contract	1/23/2018	\$11,889,100	Yes	Yes	DWSD – Capital Improvement Project Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract serves as a hybrid style contract, whereas, it allows for the planned replacement of water mains, while also allowing for emergency repairs. This contract was competitively bid and three vendors responded to the RFP. The recommendation for award is to the vendor with the lowest bid.

Contract 2 – New DWSD Contract for Water System Improvements

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Lakeshore Global Corp.	New Contract	1/23/18	\$ 5,948,000	Yes	Yes	DWSD – Capital Improvement Project Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract will provide for the replacement of water mains that have a history of leaks and breaks. This contract was competitively bid and six vendors responded. The recommendation for award is to the vendor with the lowest bid.

Contract 3 – New DWSD Contract for Public Relations and Communication Services

Contractor	Nature of Contract	BOWC Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Mort Crim Communications, Inc.	New	1/23/2018	\$2,999,280	Yes	Highest Ranked	DWSD Operation and Maintenance Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract will provide public relations and communication program development services to DWSD. The contractor will be help develop community outreach communications, assist DWSD in brand identification, internal coaching and training, and establishing a crisis management plan. This contract was competitively bid and six vendors responded. The highest ranked vendor is being recommended primarily based on the number of hours committed to this contract. The number of hours committed nearly tripled the amount of hours of the next highest proposal.

Contract 4 – New DWSD for Compliance Management Services

Contractor	Nature of Contract	BOWC Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Baker Tilly	New	1/18/2018	\$1,699,265	Yes	Highest Rank	DWSD Operation and Maintenance Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract creates a compliance management program for DWSD. The goal of the compliance management program is to provide a programmatic approach to review, improve and create compliance and control standards within DWSD. This contract was competitively bid and four vendors responded. The highest ranked vendor is being recommended because it had the best proposal for transitioning the work back to DWSD personnel.

Contract 5 – New Contract for Computer Hardware, Software, Equipment, and Services

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
CDW Government, Inc.	New	1/16/18	\$2,250,000	Yes	Highest Rank	General Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the term exceed two years. This contract provides for the purchase of laptops and other various computer related accessories. This contract was competitively bid and seven vendors responded. The RFP will be awarded to four vendors in total. The contract being presented is the second of the four vendors. The remaining two vendors will likely come to the FRC next month.

Contract 6 – Contract Amendment for Legal Services for Auto and General Liability Services and Programs

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
CMI – York Risk Services	Amendment	1/16/2018	\$925,000 increase; \$3,125,000 total	No, (Initially Approved by EM)	No, (Initially Approved by EM)	General Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. Due to the City’s bankruptcy, The State Department of Insurance and the Department of Insurance and Financial Services (DIFS) required the City to enter into a Memorandum of Understanding (MOU) with DIFS and the State Treasury Department. The MOU required the City to contract with a third party administrator to manage No-Fault claims and to ensure appropriate and timely payment of benefits, in order for the City to receive a “No-Fault Self Insurance Certificate” from the State. The amendment will allow for the vendor to continue to provide these services through October at which time the City plans to bid this work out again.

Contract 7 – New Contract for Body Repair Services of DDOT Buses

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Bus & Truck of Chicago	New	11/21/2017	\$925,000	Yes	Yes	Transportation Grant Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. The contract provides services to repair damages to DDOT buses. This contract will only be used for “major” repair jobs. Currently, DDOT staff are performing this work; however, DDOT wishes to contract out “major” repair jobs to save on staff hours. This contract was competitively bid and two bids were received. The vendor being recommended had the lowest bid.

Contract 8 – New Contract for Surveying, Environmental and Engineering Services for City Parks

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Mannik & Smith Group, Inc.	New	1/16/2017	\$525,000	Yes	Highest Ranked	General Fund

This contract is subject to FRC review because the term exceeds two years. The contract provides for surveying, environmental and engineering services provided for the Phase 3 Riverside Parks. This contract was competitively bid and five vendors responded. The vendor being recommended was the highest ranked vendor.

Contract 9 – Contract Amendment for Financial Statement Audits

Contractor	Nature of Contract	City Council Approval Date	Contract Amendment Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Plante Moran	Contract Amendment	1/16/2018	\$350,000 increase; \$6,750,000 total value	Yes	Yes	General Fund

This contract is subject to FRC review because the aggregate sum of the City’s contracts with this contractor exceeds \$750,000. This contract provides for the City’s audit of its

Comprehensive Annual Financial Report (CAFR). This amendment will increase costs as a result of additional services outside the audit scope for the CAFR Audit, Single Audit, DDOT and DWSD Audits. The City noted that it has continued to reduce audit costs each year based on its increased efforts in this area.

Contract 10 – New Contract for Park Improvements for O’Shea Park

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
WCI Contractors, Inc	New	1/16/2018	\$274,000	Yes	Highest	Federal Grants Fund and General Fund

This contract is subject to FRC review because the aggregate sum of the City’s contracts with this contractor exceeds \$750,000. This contract provides for the renovation of O’Shea Playfield. Renovations include asphalt walkways, court restoration, site amenities, playground repairs, etc. This contract was competitively bid and two vendors responded. The contract is being recommended to the highest ranked bid.

Contract 11 – New Contract for Removal and Installation Services of Commercial and Industrial Glass Windows

Contractor	Nature of Contract	City Council Approval Date	Contract Amendment Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
W-3 Construction Company	New	1/9/2018	\$160,651	Yes	Yes	Capital Expenditure and General Fund

This contract is subject to FRC review because the aggregate sum of the City’s contracts with this contractor exceeds \$750,000. This contract is for the installation of commercial and industrial glass windows at the Police Department on Livernois. This contract was competitively bid; however, only one vendor responded. It was noted during the subcommittee call that the vendor’s pricing was consistent with pricing on the open market.

Contract 12 – Contract Amendment to the Lease Agreement for the Northwest Activities Center

Contractor	Nature of Contract	City Council Approval Date	Contract	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Detroit Employment Solutions Corp.	Amendment	1/16/2018	\$229,625 increase; \$1,148,125 total value	Intergovernmental Agreement	Intergovernmental Agreement	Revenue – General Fund

This contract amendment is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$750,000. The contract is a Lease Agreement with Detroit Employment Solutions Corp, for space in the Northwest Activities Center. The amendment extends the agreement for one year and is based on \$11 per square foot of space used.

Contract 13 – New Contract for Budget Application Support Services

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Application Software Technologies	New	1/16/2018	\$550,000	No	N/A	General Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$750,000. The contract will support the OCFO with its Oracle planning and budgeting cloud service. It was noted during the subcommittee call that this contract was not competitively bid because the OCFO wishes to keep the current contractors it has; thus, gaining efficiency.

Contract 14 – Contract Amendment for OEM Coach Replacement Parts to DDOT

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Kirk's Automotive	Amendment	1/9/2018	\$600,000 increase; \$1,350,000 total value	Yes	Yes	Transportation Grant Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$750,000. This request is for approval of an amendment to increase costs and extend the agreement one month. This amendment allows the city to purchase additional spare parts for DDOT coaches.

Contract 15 – New Contract for Emergency Residential Demolitions

Contractor	Nature of Contract	City Council Approval Date	Contract Amendment Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Able Demolition, Inc.	New	11/21/2017	\$67,468	Yes	Yes	General Fund

This demolition contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$3,000,000. This contract provides emergency demolition at four locations. An emergency demolition is ordered when a structure provides an immediate danger or could fall onto another structure. Thus, to reduce the safety hazard, this work has already been performed. Each location was competitively bid and five vendors responded to each location. The recommendation for approval is for the lowest bid at each location.

Contract 16 - New Contract for Emergency Residential Demolitions

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Den-Man Contractors	New	11/30/2017	\$168,920	Yes	Yes	General Fund

This demolition contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$3,000,000. This contract provides emergency demolition at nine locations. An emergency demolition is ordered when a structure provides an immediate danger or could fall onto another structure. Thus, to reduce the safety hazard, this work has already been performed. Each location was competitively bid and 3 – 6 vendors responded to each location. The recommendation for approval is for the lowest bid at each location.

Contract 17 – New Contract for Emergency Residential Demolitions

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Den-Man Contractors	New	11/30/2017	\$110,805	Yes	Yes	General Fund

This demolition contract is subject to FRC review because the aggregate sum of the City’s contracts with this contractor exceeds \$3,000,000. This contract provides emergency demolition at four locations. An emergency demolition is ordered when a structure provides an immediate danger or could fall onto another structure. Thus, to reduce the safety hazard, this work has already been performed. Each location was competitively bid and 4 – 5 vendors responded to each location. The recommendation for approval is for the lowest bid at each location.

Contract 18 – New Contract for Hazardous Regulated Material Survey and Phase I Environmental Site Assessment

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Mannik & Smith Group, Inc.	New	11/30/2017	\$473,766	Yes	Highest Ranked	General Fund

This contract is subject to FRC review because the aggregate sum of the City’s contracts with this contractor exceeds \$750,000. This contract provides for environmental due diligence work at 57 properties located throughout the City. This contract was competitively bid and five vendors responded. The vendor being recommended received the highest rank.

Contract 19 – New Contract to Provide Market Study for Eastern Market

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Economic Development Corporation	New	11/14/2017	\$660,000	Intergovernmental Agreement	Intergovernmental Agreement	Block Grant Fund

This contract is subject to FRC review because the aggregate sum of the City’s contracts with this contractor exceeds \$750,000. The contract provides for a market study to assess the demand indicators for residential and mixed-use development, industrial, food processing and distribution facilities. The consultants for this contract will be selected by the Economic Development Corporation.

Contract 20 – Contract Amendment for Property Management Function of City Owned Properties

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Detroit Building Authority	Amendment	1/16/2017	\$450,000 increase; \$3,988,000 total value	Intergovernmental Agreement	Intergovernmental Agreement	General Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract was initially authorized by the Emergency Manager. This agreement with the DBA provides for the property and real estate functions of the City. This amendment will extend the services under this arrangement for 6 months at \$450,000.

Contract 21 – Contract Amendment for Planning and Design Services

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Smith Group JJR	Amendment	11/30/2017	\$36,600 increase; \$781,600 total value	Yes	Yes	Block Grant Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for creating a neighborhood revitalization framework plan for the Greater Villages/Islandview neighborhoods. The amendment will increase the contract costs by \$36,600 and extend the term for six months. It was noted during the subcommittee call that unforeseen circumstances created delays in the vendor completing its work.