



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2017-1

**APPROVING THE COMMUNITY DISTRICT'S JANUARY 2017
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 Detroit Public Schools Community District (the "Community District") beginning on June 2016; and

WHEREAS, Section 6(6) of the Act provides that during the period of oversight, the Commission review and approve the Community District'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 30, 2017, the Community District 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 Community District's January 2017 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.

DPSCD Contract Requests

The following contracts are being provided to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the January 30, 2017 FRC meeting

	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?	DPSCD Approval Date	Comments
1	Operations	Requisition 58832	<p>Purchase Order Amount: \$772,999.50 Source: General Fund Purpose: Provide semester student swipe passes for students to use the Detroit City Bus system to attend school. Contractor: City of Detroit Department of Transportation Location: 1301 East Warren, Detroit, MI 48207</p>	Purchase Order	No	N/A	<p>Board Approval received on 1/11/17</p> <p>Anticipated approval by FRC 1/30/17</p>	<ul style="list-style-type: none"> The City of Detroit Department of Transportation is the only supplier providing this service Provides for 5,600 student bus passes at an average cost of \$138 per pass
2	Operations	15-0045-C Amendment 2	<p>Contract Renewal Amount: \$1,700,000.00 NTE Contract Renewal Period: February 2, 2017-February 1, 2018 exercising the final renewal option. Source: General Fund Budgeted Amount for fiscal year ending June 30, 2017: \$976,988; Balance will be reflected in budget for fiscal year ending June 30, 2018 Purpose: Provide warehouse management services for the District’s warehouse location of (SSC) Building A, 1425 E. Warren Ave. Detroit, MI Contractor: Progressive Distribution Centers, Inc. Location: 18765 Seaway Drive, Melvindale MI 48122</p>	Contract – Exercise of Renewal Option	Yes	Yes	<p>Board Approval received on 1/19/17</p> <p>Anticipated approval by FRC 1/30/17</p>	<ul style="list-style-type: none"> The actual amount to be expended for this contracts is based upon actual hours worked and services provided In prior years, the amount expended for this contract has ranged from \$500k to \$700k The NTE amount for this renewal period was increased to include estimated amounts for services which may be needed for actions anticipated to be required of the District by the SRO and the EAA.

The Commission approved \$200,000 for this contract and quired the large jump in overall value. More information to be provided on the warehousing contract and brought back to the Commission at the February, 2017 meeting for approval.