



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2019-4

**APPROVING THE COMMUNITY DISTRICT'S FEBRUARY 2019
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 February 25, 2019, 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 February 2019 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.

Contract Requests

The following contracts are being provided to the Financial Review Commission (“FRC”) for review and approval. Contracts over \$750,000 or a two (2) year period must also be provided to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act. Please review the individual Action Items provided for more detailed information.

	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	14-0173-C	<p>Contract Amount: \$2,179,054 Contract Period: July 1, 2019 – June 30, 2020 Source: General Funds Purpose: Telecommunication Services Contractor: AT&T Location: 444 Michigan Avenue, Detroit, MI 48226</p>	Renewal	<p>Pots: N/A Cellular: N/A WAN: N/A Internet: Yes</p>	<p>Pots: N/A Cellular: N/A WAN: N/A Internet: Yes</p>	<p>School Board 02.12.2019</p> <p>Anticipated Approval</p> <p>FRC 02.25.2019</p>	<p>DPSCD is requesting approval for the use of cooperatives and contracts for POTS lines, Cellular services, WAN service, and internet services with AT&T.</p> <p>The District utilizes two cooperatives for POTS lines and Cellular Service. The District is exercising a one-year renewal on an existing contract with AT&T for WAN services. Late last year, the District put an RFP out for Internet Services. Four responses were received, and AT&T was the lowest cost option.</p> <p>Contracts for POTS, Cellular and WAN services are included with this action item. A contract for Internet services is presently being drafted for approval by the Board on March 12, 2019. Though this individual contract is expected to be below the FRC approval threshold, this is being brought to the FRC now due to the entire spend with AT&T in FY20 exceeding \$750K.</p> <p>Through the E-rate program, the District will only be charged 10% of the contracted costs for WAN and Internet services (<i>detailed below</i>).</p> <p>The total the District anticipates spending with AT&T for FY20 is detailed in the table below:</p> <table border="1"> <thead> <tr> <th><u>Service</u></th> <th><u>Contract Total</u></th> <th><u>District Cost</u></th> </tr> </thead> <tbody> <tr> <td>Pots</td> <td>\$67,000</td> <td>\$67,000</td> </tr> <tr> <td>Cellular</td> <td>230,000</td> <td>230,000</td> </tr> <tr> <td>WAN</td> <td>1,500,000</td> <td>150,000</td> </tr> <tr> <td>Internet</td> <td>334,014</td> <td>33,401</td> </tr> <tr> <td>Contingency</td> <td><u>48,040</u></td> <td><u>48,040</u></td> </tr> <tr> <td>Total</td> <td>\$2,179,054</td> <td>\$528,441</td> </tr> </tbody> </table>	<u>Service</u>	<u>Contract Total</u>	<u>District Cost</u>	Pots	\$67,000	\$67,000	Cellular	230,000	230,000	WAN	1,500,000	150,000	Internet	334,014	33,401	Contingency	<u>48,040</u>	<u>48,040</u>	Total	\$2,179,054	\$528,441
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