



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2016-21

APPROVING THE CITY'S NOVEMBER 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 November 21, 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 November 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.

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 November 21, 2016 Meeting

FRC City Resolution 2016-21
 Exhibit A

Prepared By: Boysie Jackson, Chief Procurement Officer

City Council and Water Board Approvals Through November 16, 2016

	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?	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN \$750K

1	FIRE	6000436	Contract Amount: \$1,300,000.00 Contract Period: 12/1/16 through 11/30/17 Source: 100% City Funding Purpose: To Provide Bunker Gear Contractor: Apollo Fire Equipment Co. Location: 12584 Lakeshore Drive, Romeo, MI 48065	New	Yes	Yes	11/15/2016	11/21/2016	
2	GENERAL SERVICES	6000392	Contract Amount: \$9,536,238.00 Contract Period: Upon FRC Council Approval through 12/31/19 Source: 100% City Funding Purpose: To Provide Security Guard Services for 36th District Court Contractor: G4S Security Location: 22670 Haggerty, Farmington Hills, MI 48335	New	Yes	Highest Ranked	11/15/2016	11/21/2016	

CONTRACTS GREATER THAN 2 YEARS

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

3	HOUSING AND REVITALIZATION	3006538	Contract Amount: \$532,400.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Commercial Demolition, Group #47 Contractor: Homrich Location: 65 Cadillac Square, Suite 2701, Detroit, MI 48226	New	Yes	Yes	11/9/2016	11/21/2016	Numerous Purchase Orders for this entity: Total Amount \$431,630.00. Five contracts approved by City Council within last six months.
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DEPARTMENT OF WATER AND SEWAGE CONTRACTS

CONTRACTS GREATER THAN \$750,000.00

	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?	Board of Water Commissioner's Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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4	Water and Sewerage	6000440	Contract Amount Not to Exceed: \$963,408.42 Contract Period: 11/22/16 through 11/21/17 Source: 100% City Funded Purpose: Various Ductile Iron Pipe Contractor: McWane Ductile Location: 2266 South Sixth Street, Coshocton, OH 43812	New	Yes	Yes	11/16/16	11/21/22016	Received three (3) responses to this bid and proposing a one (1) year contract with one 1-year renewal option to provide double cement lined, ductile iron pipe in sizes ranging from 3" to 16" in diameter.
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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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DATE: November 16, 2016
TO: Financial Review Commission Members
FROM: Romaneir Johnson, Executive Director, Financial Review Commission
Ron L. Rose, Executive Director, Financial Review Commission
Drew Van de Grift, Administrative Law Specialist
SUBJECT: Contract Summary - November 2016 City of Detroit FRC Meeting

The City has submitted 4 contracts¹ for review at the November 21, 2016 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. Each contract is summarized below:

Contract 1 – New Contract for Protective Fire Department Gear.

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Total Value of all Contracts with Vendor	Budgeted Funding Sources
Apollo Fire Equipment Co.	New Contract	November 15, 2016	\$1,300,000	Yes	\$5,730,115	General Fund; Fire Fighting Operations

This Contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. The Subcommittee and city officials discussed how the city has had a successful relationship with Apollo delivering various fire gear under previous contracts. This contract was competitively bid with 21 firms reviewing the matter, however Apollo was the only respondent. If approved, this contract would continue through November 30, 2017.

¹ Note that following the subcommittee meeting, the city removed one contract from its list, leaving four contracts to review.

Contract 2 – New Contract for Security Guard Services at 36th District Court

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Total Value of all Contracts with Vendor	Budgeted Funding Sources
G4S Security	New Contract (2nd Contract with Vendor)	November 15, 2016	\$9,536,238	Yes	\$9,536,238	General Fund; 36 th District/ Madison Center Fund

This contract is subject to FRC review because the contract amount exceeds the statutory standard of \$750,000. This contract will provide 70 security guards for a three year term concluding December 31, 2019. City officials discussed the need for these security services and how the 36th district court is one of the busiest courts in the county. While this contract was competitively bid, G4S was the second lowest bid. City officials have communicated how they believe that G4S's bid represents the best value offer, partly because G4S has been contractually retained by the city for more than 15 years and has assets in place which were not reflected in the lowest bid.

Contract 3 – New Contract for Blight Removal Demolition

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Total Value of all Contracts with Vendor	Budgeted Funding Sources
Homrich	New Contract	November 11, 2016	\$532,400	Yes	\$964,030	General Fund

This contract is subject to FRC review because the aggregate of all the current contracts with Homrich exceeds the statutory threshold of \$750,000. Note that because this contract exceeds \$250,000 the lesser threshold adopted by this commission does not apply in this circumstance. This contract will fund the demolition of certain blighted structures which have been identified as priority demolition candidates by the City's administration. This contract was competitively bid and Homrich was the lowest respondent.

Contract 4 – New DWSD Contract for Delivery of Ductile Iron Pipe

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Total Value of all Contracts with Vendor	Budgeted Funding Sources
McWane Ductile	New Contract	November 16, 2016	\$963,408.42	Yes	\$963,408.42	DWSD I&E Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. The terms of this contract provide for delivery of ductile iron pipe. The piping will be used to repair water main breaks which will increase as winter approaches. Because this contract amount is below both the service and construction thresholds, all parties agree that city council approval is not required prior to FRC review. This contract was competitively bid and McWane was the lowest respondent.