



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-27

**APPROVING THE COMMUNITY DISTRICT'S OCTOBER 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 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 October 29, 2018, 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 October 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.

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	Curriculum & Instruction	18-0049-C	<p>Contract Amount: \$1,575,000 Contract Period: April 16, 2018 – June 30, 2019 Source: General Funds Purpose: To purchase additional K-8 Math instructional materials. Contractor: Great Minds DBA Eureka Math Location: 55 M Street SE, Suite 340 Washington, DC 20003</p>	Increase	Yes	No	<p>Anticipated Approval</p> <p>School Board 10.16.2018</p> <p>FRC 10.29.2018</p>	<p>An RFP was conducted in March of 2018 to solicit instructional materials for K-8 Math. 16 responses were received. According to a study released by the RAND Corporation, Great Minds is the most widely used math curriculum in the United States. It is also 1 of only 2 curriculums found by EdReports.org to align fully with the CCSS for all grades, K–8.</p> <p>This request is to increase the existing contract, presently approved for \$1,375,000, by \$200,000, for a total contract value of \$1,575,000. Due to shifts in enrollment, current instructional materials are insufficient to provide schools with the required materials. This increase will cover the additional teacher and student materials needed as well as additional professional development. The FRC previously approved this contract in April of 2018.</p>

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2	Curriculum & Instruction	18-0048-C	<p>Contract Amount: \$6,100,000 Contract Period: April 16, 2018 – June 30, 2019 Source: General Funds Purpose: To purchase additional K-8 EL instructional materials. Contractor: Open Up Resources Location: 1600 El Camino Real, Suite 155 Menlo Park, CA 94025</p>	Increase	Yes	No	<p>Anticipated Approval</p> <p>School Board 10.16.2018</p> <p>FRC 10.29.2018</p>	<p>An RFP was conducted in March of 2018 to solicit instructional materials for K-8 ELA. 12 responses were received. Though Open Up was not the low-cost source, their response was the most comprehensive and complete. The other respondents, despite having a good program, did not submit costs for foundational skills or trade books, which can increase costs by millions of dollars.</p> <p>This request is to increase the existing contract, presently approved for \$5,250,000, by \$250,000, for a total contract value of \$6,100,000. Due to shifts in enrollment, current instructional materials are insufficient to provide schools with the required materials. This increase will cover the additional teacher and student materials needed as well as additional professional development. The FRC previously approved this contract in April of 2018.</p>

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3	Finance	R141608	<p>Contract Amount: \$1,000,000 Contract Period: October 30, 2018 – June 30, 2019 Source: General Funds & Grant Funds Purpose: To use the National IPA cooperative purchasing agreement for purchase from School Specialty. Contractor: School Specialty Location: W. 6316 Design Dr. Greenville, WI 54942</p>	Cooperative	N/A	N/A	<p>Anticipated Approval</p> <p>School Board 10.16.2018</p> <p>FRC 10.29.2018</p>	<p>The District will utilize the competitively bid NIPA cooperative purchasing agreement to purchase school supplies district wide from School Specialty.</p> <p>As with Staples and Office Depot, School Specialty will be placed on the District’s punch out system with a streamlined and pre-approved list of items. Throughout the year, District staff will enter requisitions as required that will go against the FRC approved amount. The FRC approved the use of punch out systems for Office Depot and Staples for the purchase of office supplies in August of 2018.</p> <p>The punch-out system provides flexibility to the District’s schools and departments while maintaining price control and enhanced cost containment.</p>

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4	Finance	R-TC-17006	<p>Contract Amount: \$3,000,000 Contract Period: October 30, 2018 – June 30, 2019 Source: General Funds & Grant Funds Purpose: To utilize Amazon where possible to procure the lowest cost goods, materials, and supplies. Contractor: Amazon Location: 325 9th Avenue N. Seattle, WA 98109</p>	Cooperative	N/A	N/A	<p>Anticipated Approval</p> <p>School Board 10.16.2018</p> <p>FRC 10.29.2018</p>	<p>The District is seeking to add Amazon to its “direct connect” purchasing tool utilizing the US Communities cooperative bid out by Prince William County Public Schools. By allowing Amazon Business to become a vendor to the District, thousands of items will be available to District employees at a much lower cost than available elsewhere.</p> <p>Procurement will attempt to utilize Amazon where possible to procure the lowest cost goods, materials, and supplies such as specialized purchases for our Center Based Schools, Emergency Supply Kits, and supplemental professional development materials. Amazon will not serve as an alternative to Office Depot or Staples. Instead, it provides access to other lower cost, high quality goods utilizing a simplified procurement method.</p>

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5	Facilities	16-0422-C	<p>Contract Amount: \$913,923 Contract Period: September 1, 2015 – June 30, 2019 Source: General Funds Purpose: To approve an amendment to the lease for the Academy of Americas High School. Contractor: The Archdiocese of Detroit Location: 2635 Howard St. Detroit, MI 48216</p>	Increase	N/A	N/A	<p>Anticipated Approval</p> <p>School Board 10.16.2018</p> <p>FRC 10.29.2018</p>	<p>The District entered into a lease agreement with the Archdiocese of Detroit to rent a facility from which it could operate the Academy of the Americas School. This lease agreement was executed under Emergency Management in 2015 for five years with no renewals. This is the last year of the lease term and the District will likely relocate this school to one of the vacant properties owned by the District for the 2019-2020 School Year.</p> <p>The previously defined budget of \$608,473 was underestimated as it did not account for shifts in enrollment and the payment of utilities. Rent was initially based on enrollment estimates provided by the Office of Enrollment in 2015. Each fall and winter, official counts are updated, which changes the rate paid, thereby making the fees fluid.</p> <p>In order to cover expected expenditures through the close of the fiscal year, the District will need to increase the lease agreement by \$305,450, making the new contract value \$913,923.</p>

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6	Facilities	N/A	<p>Contract Amount: \$2,233,096 REVENUE Contract Period: October 30, 2018 – October 29, 2023 with five (5) optional five-year renewal terms. Source: Revenue to the District Purpose: To allow T-Mobile to use DPSCD properties for wireless communication equipment. Contractor: T-Mobile Central LLC Location: 12920 SE 38th Street, Bellevue, WA 98006</p>	New	N/A	N/A	<p>School Board 10.16.2018</p> <p>Anticipated Approval</p> <p>FRC 10.29.2018</p>	<p>Currently, the district has three smokestack/rooftop lease agreements and one ground/flag pole lease, with other cellular service providers across 11 sites in the District. T-Mobile proposes a telecommunications lease agreement that will allow it to install, operate, repair, replace and maintain wireless communication equipment on the smokestack of three additional DPSCD locations: Mann, Priest, and Bow. With the addition of the three schools proposed herein, the total number of district schools with telecommunications leases will increase to 14.</p> <p>The T-Mobile tower agreement is revenue generating for six, five-year terms which will automatically renew and increase 3% in each renewal period</p>