



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2018-32

**APPROVING THE COMMUNITY DISTRICT'S NOVEMBER 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 November 19, 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 November 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	Office of School Nutrition	17-0032-C	<p>Contract Amount: \$1,722,600 Contract Period: November 19, 2018 – October 31, 2019 Source: Grant Funds Purpose: To deliver and provide fresh produce to District schools. Contractor: Lo Piccolo Brothers Location: 3110 Rivard, Detroit, MI 48207</p>	Renewal	Yes	Yes	<p>Anticipated Approval</p> <p>School Board 11.13.2018</p> <p>FRC 11.19.2018</p>	<p>The District issued a Request for Proposal (RFP) in the 2016-17 school year for the processing and distribution of fresh produce to schools awarded the Fresh Fruits and Vegetables Processing Grant. Of the proposal responses, the contract was awarded to Lo Piccolo Brothers for one year (October 2016 - October 31, 2017) with the option for two additional one-year renewals.</p> <p>This request is to renew the existing contract which is the last renewal option. This program is grant funded by the Michigan Department of Education.</p>
2	Finance	15-0300-C	<p>Contract Amount: \$900,000 Contract Period: January 1, 2019 – June 30, 2019 Source: General Funds & Grant Funds Purpose: To provide temporary staff augmentation services for the District. Contractor: Kelly Services Location: 1301 West Long Lake Road, Troy, MI 48098</p>	Renewal	Yes	Yes	<p>Anticipated Approval</p> <p>School Board 11.13.2018</p> <p>FRC 11.19.2018</p>	<p>An RFP was conducted in June of 2015 to solicit services from a qualified temporary staffing agency to provide the District with high-quality professional and administrative employees. Two responses were received and the business was awarded to Kelly Services due to their ability to provide static pricing.</p> <p>This request is to renew the existing contract for \$900,000. By extending the contract term, Kelly Services can continue to provide staffing to the District until supported departments fill departmental needs by hiring full-time employees.</p>

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3	Facilities	17-0134-C	<p>Contract Amount: \$2,720,000 Contract Period: December 1, 2018 – November 30, 2019 Source: General Funds Purpose: To provide the District with landscaping, snow, and ice removal services. Contractor: Payne Landscaping, Inc. Location: 7635 E. Davison Detroit, MI 48212</p>	Renewal	Yes	No	<p>Anticipated Approval</p> <p>School Board 11.13.2018</p> <p>FRC 11.19.2018</p>	<p>In August of 2017, RFP 17-0134-C was issued on DemandStar and received five responses. Though DM Burr was the lowest cost for snow, they were not for landscaping. Further, DM Burr would have subcontracted the entire snow removal service. Premier Group Associates and Payne Landscaping were selected. Neither were the lowest cost vendor in both categories, but their expertise, reputation, and experience made them the better selection. The Premier Group Associates contract is not presented as it is less than \$750,000.</p> <table border="1"> <thead> <tr> <th><u>Respondent</u></th> <th><u>Score</u></th> </tr> </thead> <tbody> <tr> <td>PGA</td> <td>90</td> </tr> <tr> <td>Payne</td> <td>70</td> </tr> <tr> <td>DM Burr</td> <td>55</td> </tr> <tr> <td>One Stop Property Maintenance</td> <td>Proposal incomplete</td> </tr> <tr> <td>RNA</td> <td>Proposal incomplete</td> </tr> </tbody> </table>	<u>Respondent</u>	<u>Score</u>	PGA	90	Payne	70	DM Burr	55	One Stop Property Maintenance	Proposal incomplete	RNA	Proposal incomplete
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PGA	90																			
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4	Facilities	19-0081	<p>Contract Amount: \$3,704,444 Contract Period: December 1, 2018 – November 30, 2019 Source: General Funds Purpose: To provide natural gas supply and delivery to District Schools. Contractor: Constellation New Energy Location: 369 Carnoustie, Highland, MI 48357</p>	New	Yes	Yes	<p>Anticipated Approval</p> <p>School Board 11.13.2018</p> <p>FRC 11.19.2018</p>	<p>The District issued a Request for Proposal (RFP) 19-0081 on August 30, 2018 for natural gas service. Constellation was the one respondent to the RFP.</p> <p>Constellation provides natural gas distribution at a discounted rate through a federally mandated easement agreement allowing it to use the DTE Energy natural gas distribution system. By signing this agreement, the District locks in the published rates available at the time of signing.</p> <p>The contract will run from December 1, 2018 – November 30, 2019 with three (3) one year renewals.</p>												

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5	Facilities	00521	Requisition Amount: \$826,020 Contract Period: October 11, 2018 – June 30, 2019 Source: General Funds Purpose: To provide professional environmental investigation services. Contractor: ATC Group Services Location: 46555 Humboldt Drive, Suite 100, Novi, MI 48377	Cooperative	N/A	N/A	Anticipated Approval Board 10.09.2018	<p>This request is to increase the existing expenditure request, presently \$526,020, by \$300,000. This brings the total anticipated expenditures to \$826,020. The FRC previously approved the expenditure on October 11, 2018 as part of the District hydration station project.</p> <p>Through a co-operative contract with MiDeal, which was bid through an authorized lead agency in compliance with Michigan statutes, ATC provides various environmental consulting services.</p> <p>The District has several required environmental projects which include the demolition of the former Duke Ellington school, where ATC will serve as an environmental consultant, remediation in recently vacated rented buildings, as well as ongoing testing of water outlets in schools.</p>