



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2019-25

**APPROVING THE COMMUNITY DISTRICT'S OCTOBER 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 October 28, 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 October 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	19-0237-C	<p>Contract Amount: \$3,586,900 Contract Period: July 1, 2019 – June 30, 2020 Source: Capital Projects Purpose: HVAC repairs and replacements Contractor: Complete Mechanical Contracting, Inc Location: 681 Manufacturers Drive, Westland, MI 48186</p>	Increase	Yes	No	<p>Finance Committee 09.27.2019</p> <p>Academic Committee 10.09.2019</p> <p>Board 10.15.2019</p> <p>Anticipated Approval</p> <p>FRC 10.28.2019</p>	<p>Complete Mechanical Contracting has responded to multiple RFPs and has been awarded multiple contracts to repair and replace HVAC equipment across the District.</p> <p>This request is for a contract increase of \$1,289,800 with Complete Mechanical, bringing the total contract not to exceed amount to \$3,586,900 for the term July 1, 2019 – June 30, 2020.</p> <p>RFP 19-0315 was issued on DemandStar to replace Chillers at Cass Tech and received three (3) responses. The companies that responded with complete bid packets were Carrier, Tech Mechanical, and Complete Mechanical Contractors. Based on evaluation of the proposal, Complete Mechanical was selected as the supplier providing the highest quality services to remove, dispose, and replace the HVAC Chiller units at Cass Technical High School. Complete Mechanical Contracting is not subcontracting any of the work which allows better District oversight; the other respondents intended to use subcontractors. Though Complete Mechanical was higher in cost, based on the overall scoring and evaluation, the evaluation committee decided they could provide higher quality implementation for this project.</p> <table border="0"> <thead> <tr> <th><u>Company</u></th> <th><u>Score</u></th> </tr> </thead> <tbody> <tr> <td>Complete Mechanical</td> <td>92</td> </tr> <tr> <td>Tech Mechanical</td> <td>79</td> </tr> <tr> <td>Carrier</td> <td>75</td> </tr> </tbody> </table>	<u>Company</u>	<u>Score</u>	Complete Mechanical	92	Tech Mechanical	79	Carrier	75
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	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								
2	Strategy	16-0345-C 19-0291-C	<p>Contract Amount: \$1,195,450 Contract Period: July 1, 2019 – June 30, 2020 and September 30, 2019 through June 30, 2020 Source: General Fund Purpose: Interactive technology installation services and physical cabling Contractor: Learning Consultants, Inc Locations: 17601 James Couzens, Detroit, MI 48235</p>	New	Yes	Yes	<p>Finance Committee 09.27.2019</p> <p>Academic Committee 10.09.2019</p> <p>Board 10.15.2019</p> <p>Anticipated Approval</p> <p>FRC 10.28.2019</p>	<p>RFP 19-0291 was issued on DemandStar and received 3 response(s). Based on evaluation of the proposal, Learning Consultants, Inc. was selected as the supplier to provide the District with cable installation, maintenance, and repair services. They have the capability, experience, and competitive pricing to provide the services requested. Learning Consultants' proposal is the lowest cost solution.</p> <table border="1"> <thead> <tr> <th>Company</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>LCI</td> <td>87</td> </tr> <tr> <td>Data Com</td> <td>84</td> </tr> <tr> <td>Direct Internet</td> <td>78</td> </tr> </tbody> </table> <p>LCI is presently contracted to provide similar services under contract 16-0345, in the amount of \$695,450. Their contract was renewed into this fiscal year, in order to complete the new RFP.</p> <p>This request is for a new contract under the RFP, for the same services. The new request is for approval to spend an additional \$500,000, for a total spend with this vendor, between the two contracts, of \$1,195,450.</p> <p>The District plans to invest in data cabling projects to upgrade wiring at buildings over the next three years, starting with twenty-five (25) school buildings for the 2019-2020 school year. These services will allow the District to continue to expand the One-to-One Technology Initiative and enhance access to instructional technology resources.</p>	Company	Score	LCI	87	Data Com	84	Direct Internet	78
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3	District	19-0137-C	<p>Contract Amount: \$1,468,947 Contract Period: July 1, 2019 – June 30, 2020 Source: General and Grant Funds Purpose: Printing Services Contractors: Hatteras, Inc Locations: 12801 Prospect St, Dearborn, MI 48126</p>	Increase	Yes	Yes	<p>Finance Committee 09.27.2019</p> <p>Academic Committee 10.09.2019</p> <p>Board 10.15.2019</p> <p>Anticipated Approval</p> <p>FRC 10.28.2019</p>	<p>A contract with Hatteras to serve the District’s printing needs was renewed for a value not to exceed \$240,000 in July of 2019. The School Board and FRC then approved an increase of \$758,831, bringing the contract total to \$998,831.</p> <p>This request is for an increase to the contract in the amount of \$470,116 for a new contract value of not to exceed \$1,468,947, in order to accommodate the Office of School Nutrition’s needs for merchandise to promote healthy living.</p> <p>On July 22, 2019, an RFP was distributed to solicit bids for school signage and merchandising, 121 vendors were notified of the RFP. Four responses were received on or by August 12, 2019. Each respondent supplied plans for specific services they could deliver for the District-wide signage and merchandising campaign. Based upon the responses, Hatteras was selected as the highest scoring vendor with the lowest cost.</p> <table border="0"> <tr> <td><u>Company</u></td> <td><u>Score</u></td> </tr> <tr> <td>Hatteras</td> <td>93</td> </tr> <tr> <td>Descon</td> <td>81.6</td> </tr> <tr> <td>W.L. Concepts</td> <td>74</td> </tr> <tr> <td>School Specialty</td> <td>72</td> </tr> </table>	<u>Company</u>	<u>Score</u>	Hatteras	93	Descon	81.6	W.L. Concepts	74	School Specialty	72
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Agenda Item Details

Meeting	Oct 15, 2019 - Regular Board Meeting
Category	11. Administrative Action Items
Subject	11.01 Approval of Contract Amendment with Complete Mechanical Company to Install a New HVAC Rooftop Chiller System at Cass Technical High School
Access	Public
Type	Action
Recommended Action	Motion to approve the contract with Complete Mechanical Company to remove the existing HVAC Rooftop Chiller System and install a new HVAC Rooftop Chiller System in an amount not-to-exceed \$1,289,800, for a total contract value of \$3,586,900.

Public Content

Recommendation:

That the School Board approve the contract amendment with Complete Mechanical Company to remove the existing HVAC rooftop chiller unit and install a new HVAC rooftop chiller unit at Cass Technical High School in an amount not-to-exceed \$1,289,800, for a total contract value of \$3,586,900.

Description and Background:

This item was approved by the Finance Sub-Committee on September 27, 2019.

During the 2003-2005 construction of Cass Tech High School, the HVAC rooftop chillers were installed with design flaws resulting in poor equipment performance. As a result, the school has been without proper functioning air conditioning for a number of years and required the use of a rented chiller for the last two summer seasons. The District entered into a lawsuit with the firm that installed the previous HVAC rooftop chillers. The result of the lawsuit was a settlement that the District reached with the firm that will fund this replacement of the defective HVAC rooftop chillers.

In the late winter of 2019, the District entered into an agreement with the architecture firm, Merz & Associates to investigate the problem, study the original construction plans, complete an analysis of the building's structural design, and specify the selected solution.

Complete Mechanical was selected to replace the chillers according the architectural specifications and guidelines based on the company's similar work with local school districts including Farmington Schools, Wynadotte Schools, Dearborn Heights, Waterford, Utica, and Pontiac. The company also completed HVAC work at the University of Michigan in Ann Arbor. Based in Westland, Michigan, the company was founded in 2002 and provides a full range of HVAC and mechanical services.

The expected timeframe for the completion of this project will be Spring 2020.

Gap Analysis:

For many years the District has been without cool air in several of its school buildings due to poor maintenance, no equipment, and/or age of cooling units. The spring, summer, and early fall temperatures in the State of Michigan are known to create uncomfortable conditions within these schools without functioning air conditioning. These problems have historically been due the District's inability to repair and/or replace the units that were out of service due to design flaws. The HVAC rooftop chillers at Cass Technical High School are beyond repair. Without replacement, classroom instruction will be compromised when high temperatures are realized. The lack of an adequate and sustainable cooling system will potentially shorten the instructional usage of Cass Technical High School during warmer months with higher temperatures. This unit is necessary to eliminate the number of instructional days and hours lost due to the closure of the building.

Previous Outcomes:

The Complete Mechanical Company was awarded the replacement chiller contract for several of the District's schools. The work currently performed is on schedule for completion.

Expected Outcomes:

The awarded contractor will be responsible to remove the five (5) existing HVAC rooftop chiller units that are currently non-functional, replacing them with a four (4) unit HVAC rooftop chiller system to cool the building. More specifically, the following were included in the scope of work for this project as the major components to be completed, along with maintenance, warranty services, and permit(s) fees under this contract (this is not an exhaustive list of work):

- Demolition and disposal of the five (5) existing units and support components
- Furnish and install a new structure to house and support the units
- Furnish and install four (4) new Chillers (according to their plans and specs)
- Furnish and install all piping and insulation (according to plans)
- Inspection of pumps, heat exchanger, etc.
- Balancing the units
- Crane fees
- City Permits
- Start-up of the system to ensure proper operation

This bid also includes a five (5) year performance contract that contains a parts and labor warranty for the HVAC system. Complete Mechanical will be responsible to perform all maintenance services as outlined in the contract for the duration of the performance agreement.

Alignment to Strategic Plan:

Responsible Stewardship

Financial Impact:

Fund 44 Bond/Grants

Contract Total not-to-exceed \$3,586,900

Bid Process: RFP 19-0315 was issued on DemandStar and received three (3) responses. The companies that responded with complete bid packets were Carrier, Tech Mechanical, and Complete Mechanical Contractors. Based on evaluation of the proposal, Complete Mechanical was selected as the supplier providing the services to remove, dispose, and replace the HVAC Chiller units at Cass Technical High School. They have the capability, experience, and competitive pricing to provide the services requested.

Contact for Item:

Name: Machion Jackson
Phone: (313) 873-6532
Email: machion.jackson@detroitk12.org

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COMPLETE_MECHANICAL_19-0237-C.pdf (3,270 KB) 19-0237-C Mod 3.pdf (199 KB)

Administrative Content

Tech Mechanical.zip (4,436 KB) Carrier.zip (4,634 KB) Complete Mechanical.zip (45,570 KB)



Agenda Item Details

Meeting	Oct 15, 2019 - Regular Board Meeting
Category	12. Consent Agenda (Administrative Items)
Subject	12.01 Approval of Contract Amendment with Learning Consultants, Inc.
Access	Public
Type	Action
Recommended Action	Motion to approve the contract amendment with Learning Consultants, Inc. (LCI) for the period of July 1, 2019 through June 30, 2020 in an amount not-to-exceed \$1,195,450.

Public Content

Recommendation:

That the School Board approve the contract amendment with Learning Consultants, Inc (LCI) for interactive technology installation services and physical plant cabling for the period of July 1, 2019 through June 30, 2020 in an amount not-to-exceed \$1,195,450.

Description and Background:

This item was recommended for approval by the Finance Sub-Committee on September 27, 2019 and the Academic Sub-Committee on October 9, 2019.

The District plans to invest in data cabling projects to upgrade wiring at building sites over the next three years, starting with twenty-five (25) school buildings for the 2019-2020 school year.

Roberto Clemente
Ronald Brown Academy
Law Academy
Southeastern
Bethune
Brenda Scott
Burns
Nolan
Bow
Emerson
Durfee
Noble
Garvey
Neinas
Twain
Bunche
Ellington
Burton
Munger
Gompers
Hutchinson
Greenfield-Union
Golightly Education Center
Spain
Priest

This investment will increase the speed and provide reliable connectivity to the Internet and telecommunications systems, the core of the technology infrastructure, to support equitable access to teaching and learning resources and to enhance safety and security at each location. Through the new school construction project, the District was able to install new cabling for Hamilton, Barton and Logan. These schools would not have opened successfully without the cabling infrastructure completed. This cabling contract will address an initial set, approximately one third, of 77 schools with unacceptable ratings from the Plante Moran audit.

To ensure competitive pricing and vendor capacity, the District rebid cabling installation services. Learning Consultants, Inc. (LCI) was the vendor selected through the RFP process.

LCI has supported the District with data cabling and installation services since 1995. These cabling services connect the District's devices to the network and power sources. The vendor has installed data, video, and voice infrastructure systems for District buildings, installed electrical lines for projectors, interactive boards, and additional outlets in schools, and has provided project planning and site mapping services for installation of new technology and network moves and additions. LCI has also designed and installed computer labs using new equipment as well as District refurbished technology. During the 2018-2019 school year, LCI installed over 500 SMART interactive television-size flat panels through the One-to-One (1:1) Technology Initiative in addition to routine interactive installations and cabling projects.

After the completion of a request for proposals in August 2016, the District signed a three-year contract with LCI for these services with an option for two one-year renewals after the three-year term. The District exercised a one-year renewal of services for July 2019-June 2020 with LCI to maintain the continuity and installation standards for interactive technology installation; this continuity is key to the seamless expansion of the 1:1 Technology Initiative. The Board approved this contract renewal in June 2019.

Following the competitive bid process for data cabling, the District is pursuing approval for a contract amendment with LCI to reflect this expanded scope of service.

Gap Analysis:

The Plante Moran technology audit identified the need for significant upgrades to data cabling at 77 schools. The District is actively working toward a twenty-first century learning environment, rich in opportunity for all students to access relevant technology. This contract amendment directly addresses findings from the Plante Moran.

Previous Outcomes:

LCI has been working with the District since 1995. LCI technicians utilize the District ticketing system to manage projects that range from interactive technology repairs and installations to cabling installations and wiring projects. This allows the District to track contractor progress in real-time as well as the time allotted to each school or District project. The District has been satisfied with the assembly, transport and installation services for interactive technology from LCI. Most recently, LCI worked on cabling installation to support the deployment and installation of upgraded wireless access points for eleven (11) school buildings. LCI has also be instrumental with the cabling projects for the new schools opening in Fall 2019.

	Annual Expenditures
2018-2019	\$1,071,450
2017-2018	\$925,000
2016-2017	\$750,000

Expected Outcomes:

The interactive technology installation services provided by LCI will allow the District to continue to expand the One-to-One Technology Initiative as well as enhance instructional technology resources to all Title I eligible K-8 sites this year. There is also the possibility of expansion to high school sites if Title I budgets permit. In addition, LCI will provide physical plant cabling installation services to overhaul the worn, outdated wiring infrastructure at 25 sites.

This will be prioritized based on Technology and Facility audit findings and recent investments in 1:1 technology, increasing the demand for superior connectivity.

Alignment to Strategic Plan:

Transformative Culture

Financial Impact:

\$1,195,450 (General Fund) through a RFP process.

Bid Process: RFP 19-0291 was issued on DemandStar and received 3 response(s). Based on evaluation of the proposal, Learning Consultants, Inc. was selected as the supplier providing cable installation, maintenance, and repair services. They have the capability, experience, and competitive pricing to provide the services requested. Learning Consultants' proposal is the lowest cost solution.

Contact for Item:

Name: Elizabeth Cutrona, Chief Strategy Officer
 Phone: 313-873-6205
 Email: elizabeth.cutrona@detroitk12.org

[LCI Contract.pdf \(4,057 KB\)](#)

[16-0345 LCI Fully Executed 2019.pdf \(120 KB\)](#)

Administrative Content

[DataCom Proposal.pdf \(8,010 KB\)](#)

[Direct Internet dps cable rfp 19_0291.pdf \(4,119 KB\)](#)

[LCI.pdf \(15,250 KB\)](#)

**Agenda Item Details**

Meeting	Oct 15, 2019 - Regular Board Meeting
Category	12. Consent Agenda (Administrative Items)
Subject	12.02 Approval of a Contract Amendment with Hatteras, Inc. for Cafeteria Merchandising and Signage
Access	Public
Type	Action
Recommended Action	Motion to approve an amendment to the existing contract with Hatteras, Inc. and increase the contract value by \$470,116 for a total contract amount not-to-exceed \$1,468,947.

Public Content**Recommendation:**

That the School Board approve an amendment to the existing contract with Hatteras, Inc. and increase the contract value by \$470,116 for a total contract amount not-to-exceed \$1,468,947 to purchase cafeteria merchandising and signage.

Description and Background:

This item was recommended for approval by the Finance Sub-Committee on September 27, 2019 and the Academic Sub-Committee on October 9, 2019.

Hatteras, Inc. has supported the District with printing services since 2015. Their printing services are used by various departments for a variety of printing services.

In July 2019, the Board approved a Hatteras contract in the amount of \$998,831 to fulfill the need for commercial printing services during Fiscal Year 2020. A separate RFP was issued July 2019 to procure the services of a full service printing company in an effort to create merchandising materials for the District's cafeterias and serving areas. This work supports the District's Office of School Nutrition spend down plan approved by the Michigan Department Education (MDE) in June 2019.

The Office of School Nutrition will improve its efforts to market healthy food choices by using merchandising, signage, and innovative packaging. Marketing and a visually appealing atmospheres serve as first impressions which influence students' decisions to eat.

This Office of School Nutrition will collaborate with Hatteras, Inc. to design various cafeteria signs and graphics to enhance cafeterias in the District's schools and to help better represent our nutritional offerings to students. Merchandising materials will be age appropriate, include nutritional themes and will promote healthy eating and fitness activity. School cafeterias will receive the following:

Item	Cost Per Item
Main Sign	\$172
Wall Menu Board	\$40
Counter Top Menu Stand	\$61
Overhead Display	\$18
12 Medium Murals	\$672
Large Murals	\$224
Regulatory Posting Holder	\$44
Serving Line Marketing	\$70
Nutrition Logo Medallion	\$116
Equipment Graphics	\$96
Service: Artwork Design	\$270
Installation Labor	\$440
Total	\$2,233

Cafeterias based on capacity & size	Cost	Extended cost
40 K-8 schools (medium size cafeteria)	\$4,466	\$178,640
44 K-8 schools (small size cafeteria)	\$2,233	\$98,252
24 High Schools	\$6,301	\$151,224
84 K-8 schools "You've Met Your Match" Fight Against Hunger Campaign Art Work Design, Per Item Posters & Signage	\$500	\$42,000
Total		\$470,116

According to "Smarter Lunchrooms" and the Smarter Lunchroom Strategy, the lunchroom should be branded and decorated in a way that reflects the student body. Doing so promotes ownership and fosters a sense of community within the school.

Gap Analysis:

There are compelling reasons to make fresh fruits and vegetables, beans, whole grains, low-fat dairy, and lean meats more appealing to students participating in school food programs. Diseases such as Type 2 Diabetes, obesity, heart disease, and high blood pressure were once seen only in adults but are now affecting children with alarming frequency.

Unhealthy foods and beverages are relentlessly marketed to children through television advertising, websites, in printed media, and around the community. Images of positive lifestyles, various food choices, and general health and wellness will provide the balance needed to positively influence the long-term health of our students. Without concerted District marketing and merchandising, students will continue to eat mostly food options that may have negative affects on their health and wellbeing.

Previous Outcomes:

The District has received satisfactory service from Hatteras and has made the following recent expenditures:

2017-2018: \$113,189.47

2018-2019: \$248,204.27

Expected Outcomes:

The materials will provide a more inviting eating environment and will encourage students to make healthier food choices.

Alignment to Strategic Plan:

Whole Child Commitment

Financial Impact:

\$470,116 National School Lunch Program Funding (Fund 25)

On July 22, 2019, an RFP was distributed to solicit bids for school signage and merchandising, 121 vendors were notified of the RFP. Four responses were received on or by August 12, 2019. Each respondent supplied plans for specific services they could deliver for the District-wide signage and merchandising campaign. Based upon the responses, Hatteras was selected as the highest scoring vendor and the lowest cost.

Contact for Item:

Name: Carl Williams

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Email: carl.williams@detroitk12.org

[19-0137-C_\(FY20\)_HATTERAS.pdf \(92 KB\)](#)

[CONTRACT_19-0137_FY20_HATTERAS_3.pdf \(106 KB\)](#)

[19-0137-C FY20 Mod 4.pdf \(245 KB\)](#)

Administrative Content

[WL Concepts.pdf \(22,348 KB\)](#)

[School Specialty.zip \(21,831 KB\)](#)

[Hatteras Response.pdf \(3,546 KB\)](#)

[hatteras_contract_19-0137.pdf \(92 KB\)](#)