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City of Detroit CITY COUNCIL

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TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: December 3, 2018

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached are the comments and review of the Legislative Policy Division regarding the contracts that were submitted by the Office of Contracting and Procurement, under the Recess Procedures, for the week of December 3, 2018.

The Recess Procedures, approved November 20, 2018, provide that all contracts, submitted for the week, will be considered approved on Thursday, unless held by Council Member(s) by 4 pm on Wednesday. If Council Members wish to hold any contract on this list, please provide your request to hold, to the City Clerk's office, [attention: Louise Jones and Deonte Agee] with your questions, by 4:00 PM, Wednesday, December 5, 2018.

All contracts that are not held, will be considered approved and processed on Thursday, December 6, 2018.

The comments and review of the Legislative Policy Division staff are printed in bold following each contract.

Attachments

cc:	Janice Winfrey	City Clerk
	Mark Lockridge	Auditor General
	Boysie Jackson	Office of Contracting and Procurement
	Irvin Corley	Legislative Policy Division
	Marcell Todd	Legislative Policy Division
	Stephanie Washington	Mayor's Office

Contracts Submitted to City Council
 Under Recess Procedures for the Week of
 December 3, 2018

Statistics compiled for the Contracts submitted for the list submitted the Week of December 3, 2018.

Department	No. of Contracts or Purchase Orders	Detroit-Based Business Bids	Change, Extension Increases, Renewals	Located in Detroit
City – Wide	2		1 Amendment	0
General Services	1	0	0	0
Housing & Revitaliz. 1 Demolition contract	1	0	0	0
<hr/>				
Totals	4	0 Detroit-Based	1 Amendment	0

This list represents costs totaling \$ 2,961,260.84¹

Included in the total costs are the following:

General Fund	\$ 361,640.84
Blight Rehabilitation Project Fund	\$ 49,620.00
Disability Plan Fund	\$ 2,550,000.00

¹ The contract list includes: 1 Amendment to increase funding & extend term for 3 years; New contracts for terms of 2 & 3 years; 1 Demolition contract.

TO: THE HONORABLE CITY COUNCIL

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: December 3, 2018

RE: **CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED AT
THE RECESS SESSION OF DECEMBER 4, 2018**

CITYWIDE

2918921 100% City Funding – AMEND 1 – To Provide a Citywide Long Term Disability Insurance Policy. – Contractor: Standard Insurance Company – Location: 1100 SE 6th Ave., Portland, OR 97204 – Contract Period: Upon City Council Approval through November 30, 2021 – Contract Increase: \$2,550,000.00 – Total Contract Amount: \$3,891,820.43.

Costs budgeted to Disability Income Protection Plan Fund, Acct. 7501-04312-350906-605507-0-0, Appropriation for Income Protection Plan shows a deficit of \$305,785 as of Nov. 30, 2018; No Funds were allocated to this appropriation.

Required funds for this cost are transferred to the appropriation toward the end of the fiscal year.

This proposed amendment extends the term of the contract, 3 years, from Dec. 1, 2018 through November 30, 2021; and increases the contract cost by \$2,550,000.

The renewal rate is decreased from .35% to .315% of Insured Earnings;

This rate is guaranteed for 3 years.

The Long Term Disability insurance is indicated to help employees protect a portion of their incomes; and also assist employees with disabilities to remain at work or return to work with reimbursements up to \$25,000 to the City for workplace modifications. Other benefits include: Expenses for rehabilitation, training, family care, job search, On-line access and data query.

This contract was initially approved January 26, 2016 for a term of 3 years, through October 31, 2018; and included an option to extend for an additional 3 year term. This contract was authorized to replace the Long Term Disability and Duty Disability retirements for Non-Uniformed employees; This benefit was changed in the Union contracts.

The cost is based on the actual payroll of all enrolled employees: Full-time permanent employees with 3 years of service and working at least 40 hours per week; and appointed employees & elected officials with 3 years of continuous service to the City, that continue to be actively at work.

The contract was approved for a 3-year term, for \$1,341,820.43 [\$37,272.79 per month], was based on a payroll of \$10,613,654.24, multiplied by the rate of .35%.

Contract Discussion continues on following page.

The Honorable City Council
Contracts Submitted under Recess Procedures for
Week of December 3, 2018

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City – Wide - continued

2918921 100% City Funding – AMEND 1 – To Provide a Citywide Long Term Disability Insurance Policy. – Contractor: Standard Insurance Company – Location: 1100 SE 6th Ave., Portland, OR 97204 – Contract Period: Upon City Council Approval through November 30, 2021 – Contract Increase: \$2,550,000.00 – Total Contract Amount: \$3,891,820.43.

Contract Discussion continued below:

The cost of this amendment includes the cost of a shortfall, on the initial 3-year term, of \$528,820 [due to the increase in the payroll during the initial 3-year term]; and the estimated cost for the extension of \$2,021,180. The renewal cost is based on the current payroll of \$16,913,593 at the renewal rate of .315% for a monthly cost of \$53,277.82.

The reduction in the rate from .35% to .315% results in a savings of \$5,919.76 per month.

**Covenant of Equal Opportunity Affidavit signed 5-11-18;
TAXES: Good Through 5-18-19 and 8-31-19;
Hiring Policy Compliance Affidavit signed 5-11-18, Online application and process appears to comply;
Slavery Era Records Disclosure Affidavit signed 5-11-18, indicating business established 1906, NO records to disclose;
Political Contributions and Expenditures Statement signed 5-10-18, No Contributions identified.**

The Honorable City Council
Contracts Submitted under Recess Procedures for
Week of December 3, 2018

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City – Wide - *continued*

6001512 100% City Funding –To Provide a Subscription for (GovDelivery) a Citywide Emergency Online Notification System. – Contractor: Granicus – Location: 408 Saint Peter Street, Ste. 600, St. Paul MN, 55102 – Contract Period: Upon City Council Approval through February 29, 2020 – Total Contract Amount: \$61,640.84.

Costs budgeted to General Fund, Acct. 1000-00024-310190-626100-0-0, Appropriation for Central Data Processing includes available funding of \$17,164,938 as of Nov. 30, 2018.

This contract was authorized as a Sole Source, May 22, 2018; GovDelivery is the only government online emailing services.

The Communications Cloud software enables a government organization to utilize a number of different mediums to send communications: email, SMS/text messages, RSS feeds, and other social media integration.

Services include: Unlimited email sends; Support to upload and migrate existing email lists; Access to participate in GovDelivery network; Ability to send mass messaging to multiple devices; 24 hour/ 7 day per week monitoring, email and phone support during business hours;

Up to 2 Web-hosted training sessions annually; Up to 50 administrators;

Up to 100 subscription topics; Up to 100,000 SMS/text messages per year from shared short code [International numbers are not supported].

This proposed contract is for a term of 2 years.

The cost for the first year, from March 1, 2018 through Feb. 28, 2019 is \$30,068.70;

The cost for the 2nd year, from March 1, 2019 through February 28, 2020 is \$31,572.14 [5% increase].

Covenant of Equal Opportunity Affidavit signed 5-18-18;

TAXES: Good Through 5-29-19 and 8-31-19;

Hiring Policy Compliance Affidavit signed 5-21-18, Application provided appears to comply;

Slavery Era Records Disclosure Affidavit signed 5-18-18, indicating business established 1999, NO records to disclose;

Political Contributions and Expenditures Statement signed 9-14-18, indicating “Not Applicable”.

Previous contract, No. 3013034, was approved in May 2017, with GovDelivery Inc. for a term through May 23, 2018 for a 1-year cost of \$28,636.86. There is a 5% increase from this previous cost.

GENERAL SERVICES

6001718 100% City Funding – To Provide Epoke Spreader Repair Service, Labor, and/or Parts. – Contractor: Bell Equipment Company – Location: 78 Northpointe Dr., Lake Orion, MI 48359 – Contract Period: Upon City Council Approval through November 28, 2021 – Total Contract Amount: \$300,000.00.

Costs budgeted to General Fund, Acct. 1000-13152-470110-622100-006004-30105, Appropriation for Street Maintenance Garage includes available funding of \$1,708,443 as of Nov. 30, 2018.

Bids solicited, from September 25 through October 12, 2018, for repair services – parts and labor for Epoke Salt spreaders; 2 Bids received.

This recommendation is with the Lowest Bid, and was also the recommended bid received from the Department, from Bell Equipment Co. for \$215,456.65 [based on products and estimates of purchases]. The estimated expenditures, over the 3-year term of the contract, is \$300,000.

Costs include: Labor at \$110 per hour; after 4 pm or Saturdays, the rate is \$165 per hour.

Second bid received from AVE Office Supplies for bid of \$304,277.46 [hourly rate bid at \$213 per hour and \$300 per hour after 4 pm and Saturdays].

**Covenant of Equal Opportunity Affidavit signed 5-10-18;
TAXES: Good Through 1-15-19 and 8-31-19;
Hiring Policy Compliance Affidavit signed 10-2-17, Employment Application provided complies;
Slavery Era Records Disclosure Affidavit signed 10-2-17, indicating business established 1951, NO records to disclose;
Political Contributions and Expenditures Statement signed 10-23-18, indicating “N/A”.**

Previous contract, No. 6000393, was also approved with Bell Equipment Co., the Week of Dec. 19, 2016, for a term of 2 years, through November 28, 2018, for a cost of \$100,000.

The estimated costs for repair services and parts appears to have doubled from \$50,000 per year to \$100,000 per year.

The Following Emergency Procurements for Demolitions were authorized by Department of Housing and Revitalization, Building and Safety and Detroit Building Authority.

HOUSING AND REVITALIZATION

3028917 100% City Funding – To Provide Emergency Residential Demolition at 6640 Rohns, 6652 Rohns, and 6658 Rohns. – Contractor: Smalley Construction, Inc. – Location: 1224 Locust St., Jackson, MI 49203 – Contract Period: Upon City Council Approval through November 26, 2019 – Total Contract Amount: \$49,620.00.

Costs budgeted to Blight Reinvestment Project Fund, Acct. 1003-20253-367301-628500-0-0, Appropriation for Reinvestment-Blight includes available funds of \$27,376,890 as of Nov. 30, 2018.

Notice of Emergency Ordered Demolition from the director of Buildings, Safety Engineering and Environmental Dept. issued Sept. 28, 2018 for: 6640 Rohns, 6652 Rohns, and 6658 Rohns.

Pictures of structures demolished are included following the Contract description.

Bids solicited, on October 9, 2018, from 8:03 AM to 3:00 PM, for residential demolition at 6640 Rohns, 6652 Rohns, and 6658 Rohns; 2 Bids received.

This recommendation is for the Lowest bid received from Smalley Construction for \$49,620.

The demolition costs by address are as follows:

6640 Rohns for \$16,400 - Demolition & debris removal & disposal for \$11,500; Backfill costs of \$2,650; Grading & Site finishing costs of \$1,250; and Seeding costs of \$1,000.

6652 Rohns for \$16,655 - Demolition & debris removal & disposal for \$11,650; Backfill costs of \$2,750; Grading & Site finishing costs of \$1,255; and Seeding costs of \$1,000.

6658 Rohns for \$16,565 - Demolition & debris removal & disposal for \$11,450; Backfill costs of \$2,850; Grading & Site finishing costs of \$1,265; and Seeding costs of \$1,000.

Other Bid received from Dore & Associates for \$95,000.

Covenant of Equal Opportunity Affidavit signed 2-25-15;

TAXES: Good Through 6-27-19 and 1-31-19;

Hiring Policy Compliance Affidavit signed 12-16-16, Employment Application provided complies;

Slavery Era Records Disclosure Affidavit signed 12-16-16, indicating business established 2002, NO records to disclose;

Political Contributions and Expenditures Statement signed 10-17-18, indicating “N/A”.

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Housing & Revitalization – Demolition - *continued*

No. 3028917 Smalley Construction Total Contract cost of \$49,620 **6640 Rohns - \$16,400**



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Housing & Revitalization – Demolition - *continued*

No. 3028917 Smalley Construction Total Contract cost of \$49,620 **6652 Rohns - \$16,655**



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Housing & Revitalization – Demolition - *continued*

No. 3028917 Smalley Construction Total Contract cost of \$49,620 **6658 Rohns - \$16,565**

