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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: July 1, 2022

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

Attached is the list of contracts submitted by the Office of Contracting and Procurement for the regular session of July 5, 2022 .

The contracts submitted are included on the City Council's Agenda for referral to the Committees for review and report back to the City Council.

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
Gail Fulton	Mayor's Office

Statistics compiled for the list submitted for referral on July 5, 2022 .

Department	No. of Contracts or Purchase Orders	Focused Bids	Change, Extension Increases, Renewals	Located in Detroit
Fire	1	0	1 Amendment to Extend Time	0
Housing & Revitalization	1	0	0	1
Municipal Parking	1	0	0	1
Police	1	0	0	0
Public Works	3	0	0	3
Water & Sewerage	1	0	1 Amendment to Increase Funds	0
Transportation	1	0	0	1
Totals	9	No Focused/Limited Bids	2 Amendments;	6

67% of all Contractors included in the contract list for July 5, 2022 Formal Session are located in Detroit.

Statistics compiled for the Contracts submitted for referral on July 5, 2022

This list represents costs totaling \$7,325,681 ¹

Included in total costs are the following:

ARPA Fund	\$	304,975
General Fund	\$	144,879.34
Major Street Fund	\$	1,928,491.05
Solid Waste Management Fund	\$	107,336
Transportation Operation Fund	\$	100,000
Water & Sewerage (Water Fund)	\$	4,740,000

¹ The contract list includes: 2 Amendments for extension of time and/or increase or decrease in funds. 7 New contracts for terms of 6 months to 3 years.

TO: THE HONORABLE CITY COUNCIL

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: July 5, 2022

RE: **CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE REFERRED AT
THE FORMAL SESSION OF JULY 5, 2022.**

FIRE

6001295 100% City Funding – AMEND 2 – To Provide an Extension of Time Only for MSA Parts. –
Contractor: Apollo Fire Equipment Co. – Location: 12584 Lakeshore Drive, Romeo, MI 48065 –
Contract Period: July 1, 2022 through June 30, 2023 – Amended Contract Amount: \$0.00.

Total Contract Amount: \$4,463,801.35
Previous Contract Period: April 1, 2018 through June 30, 2022
Waiver of Reconsideration Requested

Funding

Account String: **1000-00718-240195-621900**
Fund Account Name: **General Fund**
Appropriation Name: **Fire Fighting Operations**
Funds Available: **\$69,346 as of July 1, 2022**

Tax Clearances Expiration Date: **1-31-23**

Political Contributions and Expenditures Statement:

Signed: **3-31-21** Contributions: **None**

Consolidated Affidavits

Date signed: **3-31-21**

- Covenant of Equal Opportunity
- Hiring Policy Compliance;
Employment Application complies
- Slavery Era Records Disclosure
- Prison Industry Records Disclosure
- Immigrant Detention System Record
Disclosure

Bid Information

None, because this is an amendment to extend time of an existing contract. This vendor was the only bid at the time of approval.

Contract Details:

Vendor: **Apollo Fire Equipment Co.** Amount: **No Change; total \$4,463,801.35** End Date: **June 30, 2023**

Services/Fees:

Provide parts and repair services for the Self-Contained Breathing Apparatus [SCBA] for DFD.

The contract cost is based on the estimated annual requirement for 300 various parts to the Breathing apparatus including: Various Seal rings, Gaskets, air cylinders, Replacement kits, lubricant, Piston replacement kit. The estimated costs, based on the list of required items is \$2,198,921.65 for Year 1; Year 2 costs is \$2,264,879.70 [3% increase].

Hourly rate for services to SCBA is \$75, Weekends is \$112.50, and \$150 for Holidays.

It appears that expenditures have not been as high as anticipated over the 4 year term.

Additional Information:

Contract 6001295 was originally approved March 20, 2018 for \$4,463,801.35; through March 31, 2020. Amendment 1 extended the contract term to June 30, 2022.

HOUSING AND REVITALIZATION

6004522 100% ARPA Funding – To Provide Design and Implementation Services for a Grant Program that Assists Owners with Converting Vacant, Second-Floor Spaces into Rental Units. – Contractor: Southwest Detroit Business Association – Location: 7752 West Vernor Highway, Detroit, MI 48209 – Contract Period: Upon City Council Approval through March 15, 2025 – Total Contract Amount: \$304,975.00.

Waiver of Reconsideration Requested

Funding

Account String: **3923-22012-361111-617900-851206**
Fund Account Name: **ARPA**
Appropriation Name: **ARPA - Intergenerational Poverty 3**
Funds Available: **\$29,295,078 as of July 1, 2022**

Tax Clearances Expiration Date: **10-25-22**

Political Contributions and Expenditures Statement:

Signed: **5-10-22** Contributions: **None**

Consolidated Affidavits

Date signed: **5-10-22**

- Covenant of Equal Opportunity
- Hiring Policy Compliance; Employment Application Complies
- Slavery Era Records Disclosure
- Prison Industry Records Disclosure
- Immigrant Detention System Record Disclosure

ARPA Allowable Use:

The proposed project is deemed an allowable use within the State and Local Fiscal Recovery Funds (SLFRF) compliance and reporting guidance expenditure category for Services to Disproportionately Impacted Communities (EC3).

Bid Information

Bid Close date: May 11, 2022- Advertised in Legal news, Emails to vendors; 2 bids received Points for bid: Proposal Intro & Approach-35 points, Entity Experience- 25 points, Personnel Experience- 25 points, Cost Proposed-15 points 100 Total.

Other Bid: Experienced Advisory Group, Inc.- 50/100 points

Contract Details:

Vendor: **Southwest Detroit Business Association** Amount: **\$304,975.00**
End Date: **March 15, 2025**

Services:

The Contractor will collaborate with HRD to design and administer a program that converts vacant, second-floor commercial space into apartment units, resulting in a minimum of eighteen (18) rental units, with the goal of a full twenty-four (24) rental units. The Contractor must perform the following services and produce the following deliverables by phase:

Phase I – Program Design & Planning

- a) Design an incentive capital structure (i.e. grant product) that is attractive to Detroit’s small commercial property owners and eases the financial burden of rehab, repairs and inspections related to providing new rental units. This program must deliver affordable rental units for 80% AMI households or lower; however, deeper affordability requirements are permissible/encouraged.**
- b) Plan program marketing activities to ensure adequate demand and full utilization/expenditure of the available funds. The properties participating in this program shall be located within Southwest Detroit. General parameters being Michigan Avenue to the north, Jefferson to the south, Wyoming to the west, and 15th Street to the east. HRD encourages focus on properties located within the Strategic Neighborhood Fund boundaries.**
- c) Anticipate and plan appropriately for the challenges associated with managing sizeable building renovations and meeting the requirements of the City’s Property Maintenance and Rental Ordinance. Rental units must obtain a rental Certificate of Compliance (COC).**

Contract discussion continues onto the next page.

HOUSING AND REVITALIZATION (*Continued*)

6004522 100% ARPA Funding – To Provide Design and Implementation Services for a Grant Program that Assists Owners with Converting Vacant, Second-Floor Spaces into Rental Units. – Contractor: Southwest Detroit Business Association – Location: 7752 West Vernor Highway, Detroit, MI 48209 – Contract Period: Upon City Council Approval through March 15, 2025 – Total Contract Amount: \$304,975.00.
Waiver of Reconsideration Requested

Services (*cont.*):

d) Develop administrative materials and processes to effectively implement the program, inclusive of performance monitoring and quality control.

Deliverables:

- 1. Financial Product Parameters: An outline of the grant product’s parameters and underwriting terms (i.e. amount(s), matching requirements, pre-payment or reimbursement, affordability terms).**
- 2. Target Geography Analysis: Conveyed analyses/recommendations for which neighborhoods/properties are best suited to target.**
- 3. Marketing/Outreach Strategy: Plan for how to market the grant product/program to small commercial property owners identified in Target Geography Analysis.**
- 4. Construction & Compliance Management Plan: Plan outlining how rehab/repair work will be conducted (e.g. general contractor requirements, order of operations, required meetings). This should also include delineation of roles/responsibilities between respondent and property owner, particularly for COC requirements (i.e. scheduling/obtaining third-party condition inspection, lead inspection(s), blight ticket clearance).**
- 5. Program Renovation Schedule: Schedule outlining the flow/cadence of building renovations so as to allow for the completion of 24 rental units within the allowable implementation time period provided in this Contract.**
- 6. Program Workflow: Process flowchart for how property owners/units progress through the program (i.e. intake, award, rehab/repair, inspections, COC, closeout).**
- 7. Application Form: Finalized application form for the program.**
- 8. Grant File Documents: Finalized list of required documents for each award (i.e. underwriting documents/agreement, rehab/repair scope of work, contractor information, permits, COO (if applicable), COC, before and after images)**
- 9. Record Keeping & Documentation Policy: Policy outlining how documents/records will be stored and for what length of time.**
- 10. Reporting Plan: Plan describing how the successful Respondent will report program results to HRD; to include reporting templates and cadence.**

Phase II – Program Implementation

- a) Implement marketing/outreach strategy(ies) designed in Phase I to again ensure adequate demand and full utilization/expenditure of the available funds. Implementation should account for/coincide with the intended schedule of renovations also developed in Phase I.**
- b) Conduct intake and application processes.**
- c) Conduct pre-screening activities (e.g. meet with property owner, survey the property, identify rehab/repair scope of work), and upon grant award, execute grant documents/agreement and other applicable administrative activities.**
- d) Support property owners through the renovation process in accordance with the Construction & Compliance Management Plan developed in Phase I.**
- e) Complete grant closeout inspection(s) and administrative activities. Again, all rental units must obtain a rental COC.**

Contract discussion continues onto the next page.

HOUSING AND REVITALIZATION (Continued)

6004522 100% ARPA Funding – To Provide Design and Implementation Services for a Grant Program that Assists Owners with Converting Vacant, Second-Floor Spaces into Rental Units. – Contractor: Southwest Detroit Business Association – Location: 7752 West Vernor Highway, Detroit, MI 48209 – Contract Period: Upon City Council Approval through March 15, 2025 – Total Contract Amount: \$304,975.00.
Waiver of Reconsideration Requested

Services (cont.):

- f) Coordinate with HRD and other components of LRP (i.e. trainings) to ensure a favorable customer experience among property owners.**
- g) Complete ongoing reporting and performance monitoring to understand program results and make recommendations for enhancements or improvements where applicable.**

Phase III – Closeout & Evaluation

- a) Conduct applicable program closeout activities.**
- b) Complete a final program assessment (both in writing and presentation to City staff).**

III. Project Timeline/Schedule

Milestone	Duration	Anticipated Delivery Date
1. Program Start		08/15/2022
2. Program Design & Planning	3 months	11/15/2022
3. Program Launch/Application Period	2 months	01/15/2023
4. Program Implementation/Construction	2 years	01/15/2025
5. Completion/Evaluation/Project Conclusion	2 months	03/15/2025

Fees:

II. Project Fees

The following chart outlines the costs for this project:

Pricing Component	Dollar Amount
a) Phase I	23,000
b) Phase II – Incentive Capital	240,000
c) Phase III	14,250
d) Administrative Fee	27,725
Total	\$ 304,975

Phase 1- Fixed cost program design and planning. It is anticipated to be completed within 3 months of award of contract

Phase 2- up to 24 affordable housing units at an average of \$10,000 reimbursement, for a total of \$240,000

Phase 3- Fixed cost for program evaluation conducted by Mission Life a Detroit-based company & partner in developing & implementing high quality evaluation processes through substantial scope of evaluation designs & data collection methodologies, including both experimental & non-experimental methods quantitative & qualitative techniques.

Phase 4- SBDA administrative costs flat rate of 10%. This includes general management, oversight & coordination of the contract.

MUNICIPAL PARKING

6004641 100% City Funding – To Provide a Lease Agreement for the Property Located at 19750 Livernois Avenue, Detroit, MI 48221 Known as Parking Lot B. – Contractor: New Missionary Baptist Church – Location: 6330 Pembroke Avenue, Detroit, MI 48221 – Contract Period: Upon City Council Approval through June 30, 2025 – Total Contract Amount: \$94,500.00.

Waiver of Reconsideration Requested

Funding

Account String: **1000-27341-340030-626430**
Fund Account Name: **General Fund**
Appropriation Name: **Parking Garages**
Funds Available: **\$449,715 as of July 1, 2022**

Tax Clearances Expiration Date: **Non-Profit Entity**
Political Contributions and Expenditures Statement:
Signed: **6-6-22** Contributions: **None**

Consolidated Affidavits

Date signed: **6-6-22**
 Covenant of Equal Opportunity
 Hiring Policy Compliance;
Application Complies
 Slavery Era Records Disclosure
 Prison Industry Records Disclosure
 Immigrant Detention System Record
Disclosure

Background Information:

LPD reached out to Municipal Parking Department (MPD) for an explanation of the lease, the intended use, and costs for the public to park in this lot. MPD’s response was this: “The lot will be made free to the public initially. This is part of a comprehensive strategy developed with CM Calloway. As part of the strategy, the city will begin metering parking on Livernois, which is anticipated to cover the expense of this lease.”

Bid Information

None, because this is a lease agreement for a parking lot to the city for public parking spaces.

Contract Details:

Vendor: **New Missionary Baptist Church** Amount: **\$94,500.00**
End Date: **June 30, 2025**

Services:

The City will lease the entire parking lot located at 19750 Livernois, for 75 public parking spaces. Every Sunday, during the lease term, the landlord may use spaces within the lease space that may be necessary for parking by its church members at no cost to the landlord, its members. The remaining parking spaces shall be available to the public for general parking at no cost. Further, the Landlord reserves the right to use the space without charge, all or part of the parking lot for a “Community Event” from time to time throughout the lease term, but not more than three (3) times in any calendar year, without written consent of the City.

Fees:

<u>Term</u>	<u>Rental Rate</u>	<u>Yearly</u>	<u>Monthly</u>	
****Original Term	\$35/ parking space	\$31,500	\$2,625	Current Contract
First Option Period	\$40/ parking space	\$36,000	\$3,000	If renewed 1 st year
Second Option Period	\$45/ parking space	\$40,500	\$3,375	If renewed 2 nd Year

****** Actual cost per year for the 3-year term of this contract. The other quotes represent potential cost to extend the contract, respectively.**

POLICE

6004318 100% City Funding – To Provide License Renewal for Premier Unlimited iOS and Android Extraction Software. – Contractor: Grayshift, LLC – Location: 931 Monroe Drive NE, Suite A102-340, Atlanta, GA 30308 – Contract Period: Upon City Council Approval through June 24, 2024 – Total Contract Amount: \$50,379.34.
Waiver of Reconsideration Requested

Funding

Account String: **NOT Provided**
Fund Account Name:
Appropriation Name:
Funds Available:

Tax Clearances Expiration Date: **DENIED**
Political Contributions and Expenditures Statement:
Signed: **6-15-22** Contributions: **None**

Consolidated Affidavits

Date signed: **6-15-22**
 Covenant of Equal Opportunity
 Hiring Policy Compliance;
Employment Application Complies
 Slavery Era Records Disclosure
 Prison Industry Records Disclosure
 Immigrant Detention System Record
Disclosure

Bid Information:

None, because this is a request for a Non-Standard, Sole Source Procurement for the renewal of the Software Maintenance and Service License for the continued use of the Graykey Data Extraction and Forensic Software. Grayshift is the sole developer, programmer, manufacturer, and supplier of the necessary software for the system DPD currently uses. No other vendor is authorized to sell or service the system.

Contract Details:

Vendor: **Grayshift, LLC.** Amount: **\$50,379.34** End Date: **June 24, 2024**

Services:

The Graykey Data Extraction and Forensic Software is used by the Cyber Crime Team & Major Crimes trained and certified personnel to unlock and extract data from IOS and Android devices that may contain information and/or evidence in a current criminal investigation

The Vendor will provide system maintenance of the products, online support customer portal containing a live chat functionality, support ticket requests, searchable knowledge base, and unlimited access to the software that can open devices bypassing the need to have the password for opening such devices. Requests for services will be responded to within 2 business hours to 1 business day based on a range of urgent to low priority. Business hours are defined by 8am – 8pm, Mon. – Fri.

The vendor will also provide online system training for authorized users.

Fees:

GrayKey License – Unlimited iOS/Android Extractions	\$49,995
GrayKey Unit	\$500
Hardware Discount	(\$500)
GrayKey License – Additional Geolocation 2nd geolocation	\$17,995
GrayKey Unit	\$500
Hardware Discount	(\$500)
Early Upgrade prorated discount	(\$13,610.66)
TOTAL	\$50,379.34

PUBLIC WORKS

3058210 100% Solid Waste Funding – To Provide Printing and Mailing Recycling Newsletter and Sticker. – Contractor: Accuform Printing & Graphics, Inc. – Location: 7231 Southfield Road, Detroit, MI 48228 – Contract Period: Upon City Council Approval through June 30, 2023 – Total Contract Amount: \$107,336.00.

Waiver of Reconsideration Requested

Funding

Account String: **3401-26190-190410-626100**
Fund Account Name: **Solid Waste Management**
Appropriation Name: **Solid Waste Collection**
Funds Available: **\$7,223,297 as of July 1, 2022**

Tax Clearances Expiration Date: **6-22-23**

Political Contributions and Expenditures Statement:

Signed: **6-13-22** Contributions: **None**

Consolidated Affidavits

Date signed: **6-13-22**

- Covenant of Equal Opportunity
- Hiring Policy Compliance; Application Complies
- Slavery Era Records Disclosure
- Prison Industry Records Disclosure
- Immigrant Detention System Record Disclosure

Bid Information

Bid close date: **May 24, 2022; 41 suppliers invited, 2 Bids received**

Other Bid: Wolverine Solutions, Group - \$125,797.00

Contract Details:

Vendor: **Accuform Printing & Graphics, Inc.** Amount: **\$107,336.00** End Date: **June 30, 2023**

Services:

Provide for the Department of Public Works a high-resolution & artwork Recycling newsletter & sticker. The vendor shall print and fold the newsletter (220,525 qty), print the stickers (230,525 qty) and insert the stickers into the newsletter, secure the stickers from falling out, process for mailing, mail out 220,513 packages, and deliver the rest of the unsent newsletter and stickers to Department of Public Works.

Fees:

<u>Item</u>	<u>Quantity</u>	<u>Cost</u>
6 X 9 Envelopes	220,525	\$6,837
Printing of Newsletter	220,525	\$20,749
Printing of Stickers	220,525	\$13,072
Data Processing- Resident List	1	\$26,979
Mailing Services	220,513	<u>\$39,699</u>
	GRAND TOTAL	\$107,336

PUBLIC WORKS

6004509 100% Major Street Funding – To Provide Aggregate Material. – Contractor: Edward C Levy Detroit Group – Location: 8800 Dix Avenue, Detroit, MI 48209 – Contract Period: Upon City Council Approval through June 20, 2023 – Total Contract Amount: \$366,400.00.

Waiver of Reconsideration Requested

Funding

Account String: **3301-25190-193822-621900**
Fund Account Name: **Major Street**
Appropriation Name: **Streets & Rights of Way Management**
Funds Available: **\$47,480,396 as of July 1, 2022**

Tax Clearances Expiration Date: **Not provided -applied*****
Political Contributions and Expenditures Statement:
Signed: **6-2-22** Contributions: **None**

Consolidated Affidavits

Date signed: **6-2-22**
 Covenant of Equal Opportunity
 Hiring Policy Compliance;
Employment Application Complies
 Slavery Era Records Disclosure
 Prison Industry Records Disclosure
 Immigrant Detention System Record
Disclosure

*****According to OCP -The clearance application was submitted under their parent company name American Aggregates INC. The division that will be providing the aggregate material is Edward C. Levy. They have applied, but as of yet, have not been approved.**

Bid Information:

Bids closed on May 6, 2022; 27 suppliers invited; 2 bids received. Purchase agreement issued on May 19, 2022.

Other Bid: Jackie’s Transport, Inc. @\$49.99/Ton \$500,050.00

Contract Details:

Vendor: Edward C Levy Detroit Group Amount: \$366,400.00 End Date: June 20,2023

Services:

The vendor shall provide an estimated 10,000 tons each of the two types of aggregate material, as needed by the Department of Public Works- Street Maintenance. The materials are delivered at respective sites, upon order. Storage for the bulk materials is at the DPW Street Maintenance Yard and stored in bins at 2633 Michigan Avenue, Detroit, MI.

Fees:

**2NS (Sand- washed & screened- used for concrete, asphalt & sewer systems) @ \$19.86 / Ton
6AA (Clean Crushed Stone- used for overlaying alleys & backfills) @ \$26.71/Ton**

PUBLIC WORKS

6004632 100% Major Street Funding – To Provide Construction Services for the Central Riverfront Roadway Improvements (PW-7037). – Contractor: Major Contracting Group, Inc. – Location: 15347 Dale, Detroit, MI 48223 – Contract Period: Upon City Council Approval through December 31, 2024 – Total Contract Amount: \$1,562,091.05.
Waiver of Reconsideration Requested

Funding

Account String: **3301-04189-193850-632100-193002**
Fund Account Name: **Major Street Fund**
Appropriation Name: **Major Street Fund Capital**
Funds Available: **\$2,812,023 as of July 1, 2022**

Tax Clearances Expiration Date: **11-24-22**

Political Contributions and Expenditures Statement:

Signed: **6-21-22** Contributions: **1 to a former CM in 2021 & 1 to current CM in 2022.**

Consolidated Affidavits

Date signed: **6-21-22**

- Covenant of Equal Opportunity
- Hiring Policy Compliance; Employment Application Complies
- Slavery Era Records Disclosure
- Prison Industry Records Disclosure
- Immigrant Detention System Record Disclosure

Bid Information:

Bids closed on June 20, 2022. 159 Invited; 1 Bid Received.

Contract Details:

Vendor: **Major Contracting Group, Inc.**
Amount: **\$1,562,091.05**

Bid: **Sole**
End Date: **December 31, 2024**

Services:

Vendor will furnish all materials, supplies, all labor, construction tools and equipment to perform all work required.

The work includes 0.48 miles of Central Riverfront Roadway Improvements including new concrete pavement, pavement removals, pavement repairs, concrete sidewalk and ADA ramps, temporary curb, temporary detectable warning device, cold milling HMA surface, hot mix asphalt, diamond grinding, curb removal, pavement markings, sealing joints and structure adjustments on Bates, St. Antoine, Franklin, Rivard and Jefferson.

Expected completion date is 60 calendar days from the start date.

Fees:

Labor rate is \$35/hr. Overtime/Saturdays is 1.5 times the per hour rate and Sunday/holidays is 2 times the per hour rate.

Included in the documents is an itemized price list of 60 various services and products for a total estimated construction costs of \$1,562,091.05.

WATER & SEWERAGE

6002757 100% DWSD Funding – AMEND 1 – To Provide an Increase of Funds Only for the Water SaveSource Warranty Replacement Program - Openway Riva AMI Implementation Agreement to Change the Communication Platform from a DWSD Owned Collector System to a Third-Party Owned and Operated Cellular System and to Make Related Revisions to the Previous Agreement Terms and Conditions. – Contractor: Itron, Inc. – Location: 2111 North Molter Road, Liberty Lake, WA 99019 – Contract Period: August 1, 2020 through July 31, 2040 – Contract Increase Amount: \$4,740,000.00 – Total Contract Amount: \$18,240,000.00.
Waiver of Reconsideration Requested

Funding

Account String: **5721-20244-487711-617900-900317-30129**
Fund Account Name: **WDWSD-R Imp & Ext Fund [100% Water]**
Appropriation Name: **WDWSD-R Improvement & Extension**
Funds Available: **\$23,155,631 as of July 1, 2022**

Tax Clearances Expiration Date: **6-22-23**

Political Contributions and Expenditures Statement:

Signed: **Provided, but NOT dated** Contributions: **None**

Consolidated Affidavits

Date signed: **Provided, but NOT dated**
 Covenant of Equal Opportunity
 Hiring Policy Compliance;
Uses Online Application - Complies
 Slavery Era Records Disclosure
 Prison Industry Records Disclosure
 Immigrant Detention System Record Disclosure

Bid Information:

None, because this is an amendment to an existing contract. This was a sole source procurement request at the time of approval. According to the Department, this current contract, resulted in a savings of nearly \$3 million, by capitalizing on the current relationship and the latest meter reading technology improvements. Other contracts DWSD has with Itron, Inc. is Contract 2856616 to provide equipment & parts for DWSD owned Automatic Meter Reading (AMR) equipment and Contract 6002604 with Itron to provide proprietary software license and maintenance for the AMR system, which is reaching the end of its life cycle leading to the purpose of this new contract request.

Contract Details:

Vendor: **Itron, Inc.**
Duration: **20 Years**

Amount: **Add \$4,740,000; total \$18,240,000**
End Date: **No change; July 31, 2040**

Background:

In 2006, a contract was approved with Detroit Meter Partners for the replacement and installation of Automatic Meter Reading equipment; between 2007 and 2019, approximately 190,000 new meters were installed; the new meters included a radio frequency device called a Meter Interface Unit [MIU]. The MIU transmits the information on the meter to a “Cloud Server”, which allows DWSD to collect daily transmissions of the water meters. Itron was the subcontractor to Detroit Meter Partners, that manufactured the MIUs and the collector unit system referred to as Water SaveSource System.

In March 2017, Itron notified DWSD that Water SaveSource system technology would no longer be supported in 2020; and the company would no longer manufacture component parts. According to information provided to Board of Water Commissioners, DWSD determined the best option was to take advantage of the current relationship with Itron and the latest meter reading technology to negotiate a new contract in April 2017.

By March 2020, DWSD and Itron reached an agreement to replace the Water SaveSource System with the OpenWay T+Riva System, which was approved by the Board of Water Commissioners on September 29, 2020. The new system is a cloud-based software, that is upgraded automatically; the vendor, Itron can maintain and manage the network more efficiently, which is estimated to provide cost savings to the City. Modules may be added later to enable remote shut-off and service line leak technology. The Riva System technology may also be linked to underground water mains and pipes to provide updates on what may be occurring in the system such as low or high pressure, potential leaks, issues with sewer collection. Itron was to manage the installation of 200,000 exterior replacement module.

Contract discussion continues onto the next page.

Water & Sewerage - continued

6002757 100% DWSD Funding – AMEND 1 – To Provide an Increase of Funds Only for the Water SaveSource Warranty Replacement Program - Openway Riva AMI Implementation Agreement to Change the Communication Platform from a DWSD Owned Collector System to a Third-Party Owned and Operated Cellular System and to Make Related Revisions to the Previous Agreement Terms and Conditions. – Contractor: Itron, Inc. – Location: 2111 North Molter Road, Liberty Lake, WA 99019 – Contract Period: August 1, 2020 through July 31, 2040 – Contract Increase Amount: \$4,740,000.00 – Total Contract Amount: \$18,240,000.00.
Waiver of Reconsideration Requested

In October 2020, Itron notified DWSD that due to additional market changes in reading automation technologies, Itron had recently made a business decision to shift its technology platform investment support away from the previously agreed to OpenWay Riva point-to-multipoint collection network technology¹ to either a mesh network or cellular collection solution. Itron noted that it could provide the Riva, mesh network or the cellular option. DWSD investigated the mesh network and cellular option and determined that the cellular approach would provide the longest and most technologically stable solution to DWSD’s current and future reading automation needs. DWSD seeks to amend and restate the 2020 agreement.

At the time of approval of the original contract, Services included removal of current WSS infrastructure, and installation of new hardware components, for meter system; 1 week, 40 hours, of specialized training on the installation, troubleshooting and field mitigation for the Connected Grid Router; a 2nd Week of onsite services will be used to ensure DWSD Field Workers are comfortable with real world scenarios of resolving communication problems that may occur.

Projected expenditures that were approved by the Board of Water Commissioners on April 15, 2020 at the time of the original approval by Council included \$4,500,000 per year for 3 years from FY 20-21 to FY 22-23 for a total of \$13,500,000 [See the amended Services/Fees Section more details regarding a comparison of the cost approved for Openway Riva and the current request for the Open way Cellular].

Amended Services/Fees:

Provide Water SaveSource Warranty Replacement Program - Openway Riva AMI Implementation for upgrading automatic meter reading equipment, software and maintenance service to Cellular AMI implementation. This is an Amendment to update the contract amount/terms and change the communication platform from a DWSD-collector system to a 3rd-party owned and operated cellular system. This Amendment was authorized by the Board of Water Commissioners on May 18, 2022.

This is a one-time project to install 200,000 exterior replacement modules over an 18-month period. This is not work we will add to current City employees’ duties, rather Itron will give priority hiring to Detroiters to perform the work. DWSD entered into a Memorandum of Understanding with the Detroit Employment Solutions Corporation, who will pre-certify Detroiters for employment with Itron. Also, Itron can manage the network more cost effectively than DWSD/GLWA.

Comparison of price increases for OpenWay Cellular vs. OpenWay Riva Cost (current system) for the same services/products:

	OpenWay RIVA Cost	OpenWay Cellular Cost
End Point Equipment	\$9,021,000	\$14,500,000
Hardware	\$208,200	\$208,200
Professional Services	\$959,700	\$959,700
Installation	\$5,169,078	\$4,430,000
System discount	(\$1,857,978)	(\$1,857,900)
TOTAL	\$13,500,000	\$18,240,000

The main reason for this increase is the technology difference with added cost/inflation due to Covid affecting material, labor, and shipping.

Yearly Expenditures: \$6,080,000 per year for 3 years from FY 22-23 to FY 24-25 for a total of \$18,240,000

of Detroiters:

Vendor has 7,927 employees world wide; 55 are Detroit Residents. An additional 25 Detroiters will be hired.

Contract discussion continues onto the next page.

Water & Sewerage - continued

6002757 100% DWSD Funding – AMEND 1 – To Provide an Increase of Funds Only for the Water SaveSource Warranty Replacement Program - Openway Riva AMI Implementation Agreement to Change the Communication Platform from a DWSD Owned Collector System to a Third-Party Owned and Operated Cellular System and to Make Related Revisions to the Previous Agreement Terms and Conditions. – Contractor: Itron, Inc. – Location: 2111 North Molter Road, Liberty Lake, WA 99019 – Contract Period: August 1, 2020 through July 31, 2040 – Contract Increase Amount: \$4,740,000.00 – Total Contract Amount: \$18,240,000.00.

Justification for the proposed Amendment:

1. The immediate availability to Itron’s existing cellular system collection network (through Verizon as the first network and AT&T as a potential backup, if needed), removing the need to procure, manage, maintain and upgrade the collectors for the network to continue working efficiently.
2. Install 200,000 exterior replacement modules over a 21-month period and give priority hiring to Detroiters.
3. Twenty years of Itron’s cloud-based software services are provided at a fixed annual price for a period of seven years at rates that are at least 50% less expensive than rates for similar services provided by other vendors. Future annual price adjustments are limited to a fixed rate that is estimated to be near or below the CPI index rate. DWSD also receives credits if software availability is below defined performance levels.
4. Twenty years of cellular services, with the first five years at a fixed price and then adjusted annually on the same terms as Itron cloud-based services for the subsequent services. Terms, beyond the initial 20-year period, for cellular and cloud services are to be negotiated to mutually acceptable terms.
5. Supply modules at a fixed price for five years from the Effective Date of the Agreement, with prices increasing annually at a rate not to exceed 2.5% for the next five years. Further terms are to be negotiated to mutually acceptable terms.
6. Modules are warranted against battery and electronics failures for up to twenty years. Any such failures occurring during the first ten years are replaced with equivalent modules at no cost. Failures occurring during the following ten years are replaced at pricing terms fixed for that period.
7. DWSD avoids the costs of upgrading the previously proposed collection network during its 20-year operating life at an estimated savings of \$1.36 million. DWSD also avoids negotiating and paying for leasing agreements with various property owners for placement and access to maintain the data collection equipment.
8. Lowered cloud-based software as a service (SaaS) annual cost by an estimate \$50,000.00 per year as Cisco fees are eliminated. Cloud-based software support lowers annual software maintenance costs and frees up staff to perform other priority work.
9. Shifts network maintenance from Itron or DWSD to the Verizon/AT&T cellular system providers. Itron’s 20-year agreement with these cellular vendors stabilizes long-term rates and allows Itron to address any DWSD service issues directly with the cellular vendors.
10. Cellular networks provide a mission critical communication platform for a wide array of commercial, consumer, and strategic governmental purposes. They receive far more regulatory and R&D investment than privately owned networks such as the CCU, CGR and Gen 5 mesh network solutions. As a critical communication platform, they are frequently updated and receive exceptionally high priority for maintenance and repairs, especially during times of catastrophic events
11. Moving to a cellular collection platform will assist DWSD to stay abreast with the evolution of meter reading automation technology and provide a robust communication network that can be used to incorporate other water and wastewater system monitoring devices to better manage operations.

Additional Information:

Contract 6002757 was originally approved on July 28, 2020 for water meter replacement; through July 31, 2040 for \$13,500,000.

EMERGENCY TRANSPORTATION FOR REVIEW

3058435 100% City Funding – To Provide Emergency Management of City of Detroit Scooter Program. – Contractor: DDP Bike Share Corporation dba MoGo – Location: One Campus Martius, Suite 380, Detroit, MI 48226 – Contract Period: Upon City Council Approval through June 30, 2023 – Total Contract Amount: \$100,000.00.
Waiver of Reconsideration Requested

*****According to OCP, the reason the Tax Clearances, Affidavits, and itemized price list are not available is because this item can be REMOVED from consideration.**

Funding

Account String: **5301-29201-200040-617900**
Fund Account Name: **Transportation Operation**
Appropriation Name: **DDOT Planning**
Funds Available: **\$3,581,860 as of July 1, 2022**

Tax Clearances Expiration Date: **NOT Provided**

Political Contributions and Expenditures Statement: **NOT Provided**

Consolidated Affidavits

Date signed: **NOT Provided**

- Covenant of Equal Opportunity
- Hiring Policy Compliance;
Employment Application Complies
- Slavery Era Records Disclosure
- Prison Industry Records Disclosure
- Immigrant Detention
Disclosure

Bid Information:

None, because this is a Non-Standard Procurement request. This is a Mobility Management Contract for the Office of Mobility Innovation (OMI) - Department of Transportation for managing the OMI's growing e-scooter program. According to the Procurement document provided, funding for this program was received in FY22 & had to be spent by 6/30/22.

Contract Details:

Vendor: **DDP Bike Share Corporation dba MoGo** Amount: **\$100,000** End Date: **June 30, 2023**

Services/Fees:

According to the procurement request, this vendor is currently the only non-profit, shared bicycle rental program in the City of Detroit. As such, this vendor is already familiar with the CoD landscape and has strong micro-mobility management experience. MoGo has bike sharing stations throughout the City, which coincides with many of the staging locations for e-scooters. MoGo currently has a positive relationship with several city Departments and OMI has a high level confidence in their ability to deliver the scope of work.

The Office of Mobility Innovation (OMI) is seeking a 3rd- party to manage its e-scooter program, which includes daily monitoring of e-scooter operator compliance with the City such as geofencing [creates a virtual boundary that triggers a response whenever a mobile device enters or leaves a particular area] that is required for public safety.

An itemized price list was NOT provided.