

Time: 8:00 a.m. – 8:30 a.m.
Location: Teleconference; 707 W. Milwaukee Street, 5th Floor Conference Room, Detroit, MI
Facilitator: Gwen McNeal, Member

Members Present: Gwen McNeal, Jerry Kaminski, Alice Thompson
Members Absent: David Carroll, Chair
DESC Staff Present: Pamela Moore, Jose Reyes, Robert Shimkoski, Alessia Baker-Giles, Kristin Bailey, Lynne Scully, L'Tanya Clegg

PROCEEDINGS

The Special Meeting of the Detroit Employment Solutions Corporation Board's Audit and Finance Committee was called to order at 8:10 a.m. by Ms. Gwen McNeal, Committee Member.

REVIEW/APPROVAL OF COMMERCIAL PROPERTY LEASING RFP FUNDING RECOMMENDATIONS

DESC's leasing agreements are subject to procurement standards and lease payments must be allowable under applicable federal cost principles. WDASOM Policy Issuance (PI) 12-29 states that a new lease must be procured when an existing lease expires and all of its options have been exhausted. Pursuant to PI 12-29, DESC is seeking to identify and subsequently lease commercial property to accommodate the Detroit One-Stop Centers and Administrative Headquarters. The One-Stop Centers will primarily serve participants who live in the city of Detroit. DESC's partnering agencies will also occupy space at the One-Stop Centers and sublease space from DESC.

Through this Request for Proposal (RFP), DESC is seeking to lease:

- Two (2) to three (3) full One-Stop Centers with approximately 30,000 to 35,000 square feet of usable office space;
- Two (2) to three (3) satellite One-Stop Centers with approximately 20,000 square feet of useable office space; and
- One (1) DESC Administrative Headquarters with approximately 20,000 square feet of usable office space.

DESC's primary goal is for the One-Stop Center locations to be welcoming, inviting, accommodating, and accessible to everyone. The One-Stop Centers will be easily accessible to individuals who live in the city of Detroit and located where there is sufficient population density.

DESC is currently leasing property for the Detroit One-Stop Centers at the following locations:

- DESC Michigan Works! Service Center North, 707 W. Milwaukee Avenue;
- DESC Michigan Works! Satellite Center, East, 5555 Conner; and
- DESC Michigan Works! Satellite Center, Downtown, 455 W. Fort Street

Fourteen (14) proposals were received and reviewed by the internal review committee. Friedman Integrated Real Estate Solutions was recommended as administrative headquarters (located at 440 E. Congress, Detroit) and received the highest score, 80.

The following bidders were recommended for One-Stop Service Centers:

- Samaritan Center, Inc. was recommended as a Full One-Stop Center (located at 5555 Conner Avenue) and received a score of 100.

- SER Metro-Detroit was recommended as a Full One-Stop Center (located at 9301 Michigan Avenue) and received a score of 89.
- Detroit Public Schools was recommended as a Satellite One-Stop Center (located at 16164 Asbury Park) with a rating score of 93.5.
- Detroit Public Schools was recommended as a Satellite One-Stop Center (at 13840 Lappin, Detroit) with a score of 95.5.
- City of Detroit General Services Department was recommended as a Full One-Stop Center (located at 18100 Meyers, Detroit) with a score of 89.5.

Mr. Robert Shimkoski shared that the review team first drove to all the sites and viewed the sites from the exterior to observe where the buildings were physically located as well as general quality of the buildings. After viewing the outside of the buildings, review of the proposals took place and ratings were conducted. Once these scores were calculated, the review team decided to visit all sites that scored 75 or better, which is the standard score that the Board has deemed acceptable. The team then discovered discrepancies between the proposals and what the review team observed during the site visits, which changed some of the scores.

Ms. Moore reminded committee members of a previous discussion by board members about the fact that DESC has no presence in northwest Detroit and about the organization's interest in expanding the agency's footprint in particular areas. Not only is DESC paying too much for rent in the two locations it is currently in, but the space is not welcoming to customers.

Mr. Kaminski asked whether this information could be placed on a single page or spreadsheet in the future in order to make committee members' review of the materials easier for comparison purposes. Ms. Moore agreed and noted that staff will start creating one-page summaries of recommendations and will also include the full summaries with details.

A motion was made by Ms. Alice Thompson to approve the Lease RFP Funding Recommendations, supported by Mr. Kaminski. Motion Carried Unanimously.

REVIEW/APPROVAL OF DESC'S NEW PROCUREMENT APPROVAL PROCESS

Mr. Shimkoski reviewed the new Procurement Approval Process, which is the follow-up from the last DESC Board meeting where the Board asked that a comprehensive procedure be put in place that unifies Board By-Laws, DESC By-Laws and the procurement policy. Mr. Shimkoski reviewed both the current and the new steps which streamlines the process.

Currently, the procurement approval process operates as follows:

- **Step 1:** After the RFP proposal internal review process is completed, DESC's President/CEO approves the funding recommendations, which are then submitted to the Audit and Finance Committee for review/approval.
- **Step 2:** Once the Audit and Finance committee has reviewed/approved the funding recommendations, the committee moves the recommendations to the Corporation Board for review/approval.
- **Step 3:** The Corporation Board reviews/approves the recommendations and moves them to the Policy Board for review/approval.
- **Step 4:** The Policy Board reviews/approves the recommendations and DESC is permitted to pursue contract negotiations with the recommended contractors.
- **Step 5:** DESC then submits the negotiated contracts to the Audit and Finance Committee for review/approval.
- **Step 6:** The Audit and Finance committee then moves the contracts to the Corporation Board for review/approval.

- **Step 7:** The Corporation Board reviews/approves the contracts and moves them to the Policy Board for review/approval.
- **Step 8:** The Policy Board reviews/approves the contracts, which are then permitted to go into effect.

The new procurement approval process will operate as follows:

- **Step 1:** After the RFP proposal internal review process is completed, DESC's President/CEO approves funding recommendations, which are then submitted to the Audit and Finance Committee for review/approval.
- **Step 2:** Once the Audit and Finance Committee has reviewed/approved the recommendations, DESC is permitted to pursue contract negotiations.
- **Step 3:** DESC brings the negotiated contracts directly to the Corporation Board for review/approval.
- **Step 4:** Once the Corporation Board reviews/approves the contracts, the contracts are then permitted to go into effect.

All agreed that a fifth step should be added to the new procurement approval process, which would direct the approved contracts to the Workforce Development Board.

A motion was made by Ms. Alice Thompson to approve the new Procurement Policy, supported by Mr. Jerry Kaminski.
Motion Carried Unanimously.

DISCUSSION: UPCOMING RFPs FOR REVIEW/APPROVAL

Mr. Shimkoski explained only two (2) proposals were received for Demand Driven Training which is scheduled to come before the next Audit and Finance Committee Meeting.

The Partnerships Accountability Training and Hope (PATH) and Food Assistance and Employment Training (FAET) RFP's have yet to be released. Mr. Shimkoski explained that PATH is a rather large RFP, which the review is going to attempt to streamline to 4 or 5 contractors. The PATH RFP is currently with DESC's attorneys undergoing review. Once the RFP is received back in-house, it will be released.

Ms. Moore stated both PATH and the FAET programs go into effect October 1, 2013, so staff plans to have the RFPs published within the week of July 22nd.

Mr. Shimkoski shared that there will be a need for a late August or early September Audit and Finance Committee meeting, with the possibility of the need for monthly Audit and Finance Committee meetings going forward.

With no further business to come before the Audit and Finance committee, the meeting was adjourned at 8:29 a.m.

Prepared by: L'Tanya Clegg