



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF CONTRACTING & PROCUREMENT

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November 22, 2024

HONORABLE CITY COUNCIL:

RE: RESOLUTION TO PROVIDE FOR THE FULL OBLIGATION OF FUNDING FROM THE
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUND UNDER THE
AMERICAN RESCUE PLAN ACT

Chapter 17, Article V of the 2019 Detroit City Code requires the approval of your Honorable Body for the purchase of goods and services over the value of \$25,000, all contracts for personal services renewals or extensions of contracts, or the exercise of an option to renew or extend a contract.

Under the terms of ARPA and related ARPA rules and guidance, eligible costs must be incurred through evidence of an obligation issued on or before December 31, 2024 and must be expended on or before December 31, 2026. Regulations and regulatory guidance issued by the United States Department of Treasury have provided relevant instruction and guidance for determining when ARPA Funds may be considered to be obligated.

Through a Resolution, the Chief Financial Officer requests authorization to take all appropriate actions, including adjustments to or amendment of any existing contractual obligation identified pursuant to the review conducted under this resolution, to allow for the full utilization of ARPA Funds by December 31, 2026, and to execute any documents or take any action to implement this authority. The Chief Financial Officer, or the designee of the Chief Financial Officer, shall report to City Council any adjustment to or amendment of any contractual obligation taken pursuant to this Resolution. No adjustment to or amendment of any contractual obligation taken pursuant to this Resolution may extend the term of an obligation by greater than 120 days.

All adjustments to or amendment of any contractual obligations will be completed before December 31, 2024 as required by U.S. Treasury.

Respectfully Submitted,

DocuSigned by:
Terri Daniels
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Terri Daniels
Director, Office of Development and Grants

CC: Jay Rising, Chief Financial Officer
Stephanie Washington, Chief of Staff, Mayor's Office
Conrad Mallet, Corporation Counsel
Tanya Stoudemire, Chief Deputy Chief Financial Officer

RESOLUTION TO PROVIDE FOR THE FULL OBLIGATION OF FUNDING FROM THE CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUND UNDER THE AMERICAN RESCUE PLAN ACT

WHEREAS, on March 11, 2021, Public Law 117-2 (the “American Rescue Plan Act of 2021”, commonly referred to as “ARPA”), was enacted to provide relief to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses; and

WHEREAS, as part of the American Rescue Plan Act of 2021, the United States Congress included the Coronavirus State and Local Fiscal Recovery Fund (“**SLFRF**”) and designated the United States Treasury to administer and promulgate such rules and regulatory guidance related to SLFRF funds as might be necessary; and,

WHEREAS, the City of Detroit (the “**City**”) was awarded \$826,675,290 of SLFRF program funds to administer and provide payment for eligible costs incurred during the period beginning March 3, 2021 (the “**ARPA Funds**”); and

WHEREAS, City Council adopted a resolution on July 29, 2021 authorizing 15 appropriations of the ARPA Funds for specific purposes consistent with the terms of ARPA (the “**Initial ARPA Appropriation Resolution**”); and

WHEREAS, City Council has subsequently adopted various resolutions transferring funds between appropriations established by the Initial ARPA Appropriation Resolution, and authorizing and approving contracts, subrecipient agreements, development agreements, and beneficiary agreements which have been utilized to obligate ARPA Funds; and

WHEREAS, under the terms of ARPA and related ARPA rules and guidance, eligible costs must be incurred through evidence of an obligation issued on or before December 31, 2024 and must be expended on or before December 31, 2026; and

WHEREAS, regulations and regulatory guidance issued by the United States Department of Treasury have provided relevant instruction and guidance for determining when ARPA Funds may be considered to be obligated. Treasury issued the clarifications related to what may constitute an obligation, when an obligation may be considered to have occurred, and what adjustments to an obligation are authorized after December 31, 2024, including the following:

- a. An obligation may include a replacement of a contract or subaward entered into by December 31, 2024, if the contractor is terminated for default, goes out of business, demonstrates an inability to perform, is subject to a mutual termination agreement, or was the subject of an improper award.
- b. For a contract entered into on or before December 31, 2024, an amendment or allocation of ARPA Funds to cover additional costs is permitted if those costs were incurred within the scope of the contract or to the extent that the contract expressly provided for change orders or contingencies.

WHEREAS, to fund the foregoing types of adjustments to obligations that may be authorized after December 31, 2024, the rules and regulatory guidance provide flexibility to the City to reallocate certain program income and unused or excess portions of ARPA Funds obligated by December 31, 2024; and

WHEREAS, the City desires to maximize the use of ARPA Funds and to assure that any program income and unused or excess portions of ARPA Funds may be reallocated for eligible expenses obligated by December 31, 2024, including protecting the discretion of City Council to consider amendments to such contracts and subawards after 2024; and

WHEREAS, Forty-one (41) currently effective contracts and subawards have been identified in Exhibit A to this Resolution as having expiration dates on or before December 31, 2024, for which nine (9) amendments to extend an expiration date have been submitted to Council for approval; and

WHEREAS, the City also desires to assure that existing obligations anticipated to be performed after December 31, 2024 have provisions that will allow for change orders and contingencies so that City Council may act to allow an allocation of ARPA Funds after December 31, 2024.

NOW, THEREFORE BE IT RESOLVED,

1. The Detroit City Council directs the Chief Financial Officer, or the designee of the Chief Financial Officer, to review contractual obligations entered into with the support of ARPA Funds to identify:
 - a. Those existing contractual obligations, including and in addition to those listed in Exhibit A that may require an extension past December 31, 2024, to allow for the full utilization of any ARPA Funds authorized under that contractual obligation to fulfill that obligation or any other obligation for which ARPA Funds may be legally utilized; and
 - b. Those contractual obligations entered into on or before December 31, 2024, that may require additional language to expressly allow for City Council to obligate additional funds within the scope of the contract or subaward, or to expressly allow change orders or contingencies that could necessitate additional ARPA Funds.
2. The Chief Financial Officer, or the designee of the Chief Financial Officer, is hereby authorized to and may take all appropriate actions, including adjustments to or amendment of any existing contractual obligation identified pursuant to the review conducted under this resolution, to allow for the full utilization of ARPA Funds by December 31, 2026, and to execute any documents or take any action to implement this authority. The Chief Financial Officer, or the designee of the Chief Financial Officer, shall report to City Council any adjustment to or amendment of any contractual obligation taken pursuant to this Resolution. No adjustment to or amendment of any contractual obligation taken pursuant to this Resolution may expand the scope, add additional ARPA Funds, or extend the term of an obligation by greater than 120 days.
3. Any contractual obligation that replaces a contract or subaward under which ARPA Funds were obligated on or before December 31, 2024, or that re-obligates ARPA Funds to a new contractor or subrecipient shall be subject to approval by the City Council as required under the City's procurement ordinance and for any necessary transfer between ARPA appropriations. At a minimum, quarterly reporting of ARPA Funds that are available for re-obligation will be reported to City Council.

EXHIBIT A

Contract	Vendor	Project Name	Description	Expiration Date	Contract Amount
6005858	Detroit Employment Solutions Corp.	Detroit at Work (DAW) Job Training	Credential/skilled training opportunities	12/30/2024	\$5,577,408
6005383	GANDOL, INC	Recreation Center Modernization	Coleman A. Young Recreation Center construction services	12/30/2024	\$4,905,000
6005667	GANDOL, INC	Capital Budget Supplemental	Butzel Family Recreation Center construction services	12/30/2024	\$2,590,000
6005167	DMC Consultants Inc	DPD Training Center	DPD Training Academy Buildout	12/30/2024	\$6,887,436
6004347	Arrow Office Supply Co	Central Services	Office Supplies for all projects related to ARPA	12/30/2024	\$1,000,000
6004824	Detroit Building Authority	Commercial Corridor Parking	Create parking spaces for commercial corridors	12/23/2024	\$9,077,625
6004032	EXYGY INC	Housing Resource Navigation	Housing Resource Website Navigation Support.	12/30/2024	\$2,262,400
6004463	NORR, LLC	Chandler Park Fieldhouse	Chandler Park Athletic Fieldhouse Architectural/Engineering (A/E) Services	12/30/2024	\$847,435
6005151	NORR, LLC	DFD Annex Build Out	Design of the new annex at three fire stations (Engine 55, Engine 57, Engine 60)	12/30/2024	\$569,063
6005220	Enterprise Community Partners	Scatter Site Home Ownership Preservation	Pre-Development Services to support preservation of affordable housing developments	12/30/2024	\$750,000
6004820	Great Lakes Aviation Services LLC	Traffic Enforcement	Upgrade electrical and avionics on a 1970 Bell OH-58 Helicopter	12/30/2024	\$172,600
6004644	Southwest Counseling Solutions	Homeless Prevention	Housing Placement Services for Homeless or At-Risk Persons.	12/30/2024	\$1,205,812
6004781	United Community Housing Coalition	Scatter Site Home Ownership Preservation	Tenant Relocation Services	12/30/2024	\$300,000

6005572	DeAngelis Diamond Construction, LLC	Capital Budget Supplemental	Construction Services for Clemente and Crowell Recreation Centers.	12/30/2024	\$1,420,000
6004161	HARRELL'S LLC	Skills for Life Work	To provide as needed weed & pesticides	12/30/2024	\$100,000
6005010	DLZ	DPD Training Center	DPD Training Center Parking Lot and Site design service	12/29/2024	\$102,400
6005097	PLY PLUS INC	Dexter Elmhurst Rec Center	Recreation and Park Renovation at Dexter Elmhurst Community Center	12/30/2024	\$694,700
6004193	MSC Industrial Supply Co.	Skills for Life Work	Operational Tools and Supplies	12/30/2024	\$730,000
6004819	Great Lakes Aviation Services, LLC	Traffic Enforcement	To upgrade electrical and avionics on a 1972 Bell OH-58 Helicopter	12/30/2024	\$296,880
6005417	Shaw Systems & Integration	New Recruit Academy	DPD Security System Design for Wayne County Community College (WCCCD) Northwest Campus Training Academy	12/30/2024	\$181,608
6004236	Detroit Grounds Crew	Skills for Life Work	Blight Debris Removal and Hauling	12/30/2024	\$826,875
6004627	DLZ	Joe Louis Greenway	Construction Engineering and Inspection (CE&I) Services for Joe Louis Greenway (JLG) Phases 1-C, G, H and I	12/30/2024	\$1,500,000
6004491	SmithGroup Inc	Joe Louis Greenway	Joe Louis Greenway (JLG) Consulting/Design/Engineering/Project Management Services	12/30/2024	\$926,960
6004405	IN TOTO STUDIO	Farwell Rec Center Gym	Farwell Recreation Center Architectural/Engineering Services	12/30/2024	\$345,200
6004576	Limb Walkers Tree and Snow	Blight To Beauty - Trees	Non-Right-of-Way Tree Removal Services for the GSD Blight Division	12/30/2024	\$1,512,000
6004584	Presidential Construction Inc	Renew Detroit	To provide roof replacement	12/30/2024	\$399,000

6004699	KEO and Associates, Inc.	City of Detroit Records Management at Oakman	Design-Build for the buildout of DoIT Records Management Oakman Blvd. facility.	12/30/2024	\$311,000
6005194	Lee Plaza LLC	Affordable Housing Development - Lee Plaza Pre-Dev 2	Development Agreement for Lee Plaza project	12/30/2024	\$1,500,000
6005280	DeAngelis Diamond Construction, LLC	Capital Budget Supplemental	Construction for the Farwell Recreation Center	12/30/2024	\$4,339,417
6004631	Premier Group Associates, PC	Park Plans	Tireman-Minock Park Construction Services	12/29/2024	\$775,000
6004863	WCI Contractors, Inc.	Park Plans	Balduck Park Construction Services	12/30/2024	\$1,584,700
6005376	Great Lakes Roofing Inc.	Renew Detroit	Residential roof replacements	12/30/2024	\$5,000,000
6005377	1-800-Hansons, LLC	Renew Detroit	Residential roof replacements	12/30/2024	\$5,000,000
6003759	Detroit Employment Solutions Corp.	Skills for Life Education	Job training	12/31/2024	\$11,437,166
6005794	3R Home Improvement, LLC.	Basement Backup Protection - Phase II	Basement Backup program	12/30/2024	\$600,000
6005793	Moore Brothers Plumbing & Heating	Basement Backup Protection - Phase II	Basement Backup program	12/30/2024	\$250,000
6005789	Ben Washington & Sons	Basement Backup Protection - Phase II	Basement Backup program	12/30/2024	\$500,000
6005790	LGC Global, Inc.	Basement Backup Protection - Phase II	Basement Backup program	12/30/2024	\$850,000
6005791	Plumberz North America, LLC	Basement Backup Protection - Phase II	Basement Backup program	12/30/2024	\$500,000
6005792	Cregger Mechanical Systems Inc.	Basement Backup Protection - Phase II	Basement Backup Program	12/30/2024	\$300,000
6005795	Mr. Wiggle Plumbing, LLC	Basement Backup Protection - Phase II	Basement Backup Program	12/30/2024	\$500,000