

# PROFESSIONAL SERVICE CONTRACT TRANSMITTAL RECORD

CONTRACT PO NUMBER 2761395  
 STANDARD PO NUMBER  
 CHANGE ORDER #

**Insurance Requirement**

ACCOUNTS PAYABLE WILL HOLD UP ALL CONTRACT PAYMENTS UNTIL ALL INSURANCE CERTIFICATES/POLICIES REQUIRED UNDER THE CONTRACT HAVE BEEN RECEIVED. CONTRACTORS SHOULD BE MADE AWARE OF THIS REQUIREMENT.

TYPE OF CONTRACT: (Check One) <input type="checkbox"/> CONSTRUCTION/DEMOLITION <input type="checkbox"/> LEASE <input type="checkbox"/> DEED <input checked="" type="checkbox"/> PROFESSIONAL SERVICES	DEPARTMENT HEAD'S SIGNATURE  _____	DEPARTMENT OFFICE OF THE AUDITOR GENERAL
FUNDING SOURCE (Percent) FEDERAL    % STATE    % CITY    % OTHER 100%	DEPARTMENT CONTACT PERSON MARK W. LOCKRIDGE	PHONE NO. 224-4558
CONTRACTOR'S NAME: KPMG LLP		DATE PREPARED 7/09/2015
CONTRACTOR'S ADDRESS: 150 W. JEFFERSON SUITE 1200 DETROIT, MICHIGAN 48226	ENGINEER'S ESTIMATE <input type="checkbox"/> CONTRACT <input type="checkbox"/> CHANGE <input checked="" type="checkbox"/> TOTAL CONTRACT AMOUNT    \$26,687,068 TOTAL CPO AMOUNT            \$23,423,068 CHANGE AMOUNT                \$3,264,000	
PHONE NO. (313) 230-3000	<input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> PARTNERSHIP <input type="checkbox"/> INDIVIDUAL	
FEDERAL EMPLOYER/SOCIAL SECURITY NUMBER: 13-5565207		MINORITY FIRM <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
PURPOSE OF CONTRACT: TO PROVIDE AUDITING SERVICES FOR PREPARATION OF CITY'S CAFR CHARGE ACCOUNT: - 1000 - 500025 - 000000 - 611200 - 000000 - 00000		

TIME & DATE IN	APPROVER MUST ALSO MAKE APPROPRIATE NOTES IN ORACLE PURCHASE ORDER	TIME & DATE IN
	<b>REQUESTING DEPARTMENT</b>   AUTHORIZED DEPARTMENT REPRESENTATIVE	7/09/2015
	<b>BUDGET</b> <input type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DENIAL  _____ BUDGET DIRECTOR OR DEPUTY	
	<b>GRANT MANAGEMENT SECTION</b> <input type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DENIAL  _____ GRANT ACCOUNTANT	
JUL 09 2015	<b>FINANCE DEPARTMENT</b> <input checked="" type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DENIAL   FINANCE DIRECTOR OR DEPUTY	JUL 09 2015
	<b>LAW DEPARTMENT</b> <input type="checkbox"/> RECOMMEND APPROVAL <input type="checkbox"/> RECOMMEND DENIAL  _____ CORPORATION COUNSEL	
	<b>PURCHASING DIVISION</b>   PURCHASING DIRECTOR	
	CITY COUNCIL APPROVAL JCC REFERENCE: PAGE _____ DATE <b>JUL 21 2015</b>	<b>FRG APPROVAL</b> <b>JUL 27 2015</b>

**CITY OF DETROIT**  
**AMENDMENT AGREEMENT NO 8**  
**TO CONTRACT NO. 2761395**

**THIS AMENDMENT AGREEMENT NO. 8** is entered into by and between the City of Detroit, a Michigan municipal corporation, acting by and through its Finance Department and the Auditor General's Office("City"), and KPMG, LLP, a limited liability partnership with its principal office located at 150 W. Jefferson Ave, Suite 1200, Detroit, Michigan 48226.

**WITNESSETH:**

**WHEREAS**, the City has engaged the Contractor to provide certain services ("Services") to the City; and

**WHEREAS**, the City and the Contractor have entered into a Contract reflecting the terms and conditions governing the subject engagement; and

**WHEREAS**, Article 16 of the Contract permits the parties to amend the Contract by mutual agreement; and

**WHEREAS**, it is the mutual desire of the parties to enter into this Amendment to amend the Contract as set out in detail in the following sections;

**NOW, THEREFORE**, in consideration of the foregoing, and of the benefits to accrue to the parties from this Amendment, the parties agree that this Contract is amended as follows:

**1. AMENDMENT TO SECTION 7**  
**COMPENSATION**

**1.01** Section\_7.01\_, which now reads:

Compensation for Services provided shall not exceed the amount of **Twenty Three Million, Four Hundred Twenty Three Thousand, Sixty Eight and 00/100 Dollars (\$23,423,068)** inclusive of expenses, and will be paid in the manner set forth in Exhibit B. Unless this Contract is amended pursuant to Section 16, this amount shall be the entire compensation to which the Contractor is entitled for the performance of Services under this Contract.

Is amended to read:

Compensation for Services provided shall not exceed the amount of **Twenty Six Million, Six Hundred Eighty Seven Thousand, Sixty Eight and 00/100 Dollars (\$26,687,068)** inclusive of expenses, and will be paid in the manner set forth in Exhibit B. Unless this Contract is amended pursuant to Section 16, this amount shall be the entire compensation to which the Contractor is entitled for the performance of Services under this Contract.

## **2. AMENDMENT TO EXHIBIT A**

**2.01** Exhibit A of the Contract is amended by deleting the existing language and by substituting the attached Seventh Amended Exhibit A in its place.

## **3. AMENDMENT TO EXHIBIT B**

**3.01** (a) The Contractor shall be paid for those Services performed pursuant to Contract Amendments No. 5, 6, 7 and 8, a maximum amount of Ten Million; Two Hundred Twenty Thousand, Eight Hundred Sixty Four 00/100 Dollars (\$11,579,000) . The change amount for Amendment No. 8 is \$3,264,000. The Contractor shall be paid no more than \$2,162,190 for the Fiscal Year 2012 Audit; \$3,317,021 for the Fiscal Year 2013 Audit, \$2,989,849 for the Fiscal Year 2014 Audit; and \$3,264,000 for the Fiscal Year 2015 Audit, and any time extension related fees, beginning on the date of approval by the City Council. The City of Detroit at its option can extend Amendment No. 7 for (2) one-year extensions at the carry over rates.

(b) Payment for the proper performance of the Services shall be contingent upon receipt by the City of invoices for payment. Each invoice shall certify the total cost, itemizing costs when applicable. The City must receive each invoice not more than thirty-days (30) after the close of the calendar month in which the services were rendered and must be signed by an authorized officer or designee of the Contractor.

## **4. EFFECT OF AMENDED TERMS ON THE REMAINING PROVISIONS OF THE CONTRACT**

### **4.01**

With the exception of the provisions of the Contract specifically contained in this Amendment, all other terms, conditions and covenants contained in the Contract shall remain in full force and effect and as set forth in the Contract.

## **5. AMENDMENT AUTHORIZATION**

**5.01** This Amendment to the Contract shall not become effective until:

- (a) The Amendment has been approved by the required City departments;
- (b) The Amendment has been authorized by resolution of the City Council; and
- (c) The Amendment has been signed by the City's Purchasing Director.

Prior to the approvals set forth in this Section, the Finance Director shall not authorize any payments to the Contractor pursuant to this Amendment, nor shall the City incur any liability to pay for any services or to reimburse the Contractor for any expenditure authorized by this Amendment.

**EXHIBIT A**  
**SCOPE OF SERVICES**

**I. Notice to Proceed**

The Contractor shall commence performance of **Amendment No. 8** of this Contract upon receipt of the City's delivery of a written "Notice to Proceed" and in the manner specified in the Notice to Proceed. A detailed audit plan will be submitted by the Contractor and reviewed by the Auditor General, the Budget, Finance and Audit Committee ("BFA") and management of the City.

**II. Services to be Performed**

- 1) The Contractor shall perform the following audits for the fiscal years ended June 30, 2012, 2013, 2014, and 2015 until they are completed:
  - the audit of the Comprehensive Annual Financial Report (CAFR),
  - the Single Audit in accordance with Federal requirements,
  - a separate audited financial statement for the Water Fund, and
  - a separate audited financial statement for the Sewerage Disposal Fund.
- 2) The firm shall express an opinion of the City's financial statements for the fiscal year ended June 30, 2012, 2013, 2014 and 2015.
- 3) The firm shall issue a Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards.
- 4) The firm shall disclose any irregularities and illegal acts.
- 5) The standards that are required to be used in performing the auditing services are:
  - Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants.
  - Standards for financial audits as set forth in the applicable U.S. Government Accountability Office's Government Auditing Standards, known as the Yellow Book.
  - Provisions of the *Single Audit Act Amendments of 1996* and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
  - Applicable standards as set forth by local or state charter, code, or other legal mandate.
- 6) The firm shall be available for up to public one (1) public meeting of the City Council, and to the Mayor, or the Mayor's designee to discuss the audit findings and recommendations related to the final audit report and other matters as requested. In

addition, a formal presentation of the Contractor's (Auditor's) report and opinion on the financial statements and the report on internal controls of the various City agencies will be made to City officials, including the City Council.

- 7) The Contractor will provide a one-day (eight CPE hours) seminar for each year of audit services provided under Amendment No. 8 of this contract, discussing Generally Accepted Governmental Auditing Standards (GAGAS), Generally Accepted Accounting Principles (GAAP) issues related to the City of Detroit, proposed GAAP pronouncements of significance to the City and/or significant legislation, pertinent audit and accounting issues, and/or other related issues as agreed upon by the Auditor General. These seminars will be provided to the Office of the Auditor General staff and other City personnel designated by the Auditor General. All costs for the seminars shall be borne by the Contractor. KPMG will provide appropriate training materials and meals and refreshments to the participants in the training sessions.
- 8) The reporting requirements of the audits shall consist of reviewing the preliminary audit findings with the City and shall incorporate, as part of the draft audit report, comments or responses made by the City. The contractor shall provide the City and the Finance Department with the draft audit report and shall review the audit findings with the City prior to formulation and the distribution of final audit reports. All final audit reports shall be signed by the Contractor and shall be addressed jointly to the Mayor and the City Council.
- 9) The completion dates of the Audits (Excluding the Single Audit) for the three fiscal years are as follows:
  - Audits for the fiscal year ended June 30, 2012 is December 2012
  - Audits for the fiscal year ended June 30, 2013 is December 2013
  - Audits for the fiscal year ended June 30, 2014 is June 2015
  - Audits for the fiscal year ended June 30, 2015 is March 2016The completion dates of the Single Audits for the three fiscal years are as follows:
  - Single Audit for the fiscal year ended June 30, 2012 is May 2013
  - Single Audit for the fiscal year ended June 30, 2013 is May 2014
  - Single Audit for the fiscal year ended June 30, 2014 is September 2015
  - Single Audit for the fiscal year ended June 30, 2015 is June 2016
- 11) The City shall provide the general ledger, trial balance, bank reconciliations and other schedules for the audits on Mondays, September 17, 2012, September 16, 2013, September 22, 2014, and September 21, 2015, respectively.
- 12) The City shall provide all additional schedules such as property taxes, legal reserves, risk management reserves and accounts payables, to the Contractor no later than October 22, 2012, October 21, 2013, October 20, 2014, and October 19, 2015, respectively.

- 13) The Contractor shall deliver the completed audit reports of the final CAFR and Single Audit Reports to the City no later than December 14, 2012, December 13, 2013, June 30, 2015, and December 14, 2015; and March 31, 2012, March 31, 2013, September 30, 2015, and June 30, 2016, respectively.
- 14) Any extensions of time are subject to the written approval of the Auditor General.
- 15) This Contract is for audits of the City of Detroit, not including the component units listed below, which are audited separately by other auditors:
  1. Downtown Development Authority
  2. Economic Development Corporation
  3. Detroit Transportation Corporation
  4. Detroit Department of Transportation (DDOT)
  5. Greater Detroit Resource Recovery Authority
  6. Museum of African American History
  7. Local Development Finance Authority
  8. Tax Increment Finance Authority
  9. Eastern Market Corporation
  10. Detroit Brownfield Redevelopment Authority
  11. Detroit Public Library.

This Contract does not include an audit of the Pension Trust Funds which are audited by other auditors.

The financial statements of various quasi-municipal corporations and authorities, audited by other auditors, are included in the CAFR and are combined with other funds in the combined statements within the CAFR. The financial statements of the Detroit Building Authority, audited by other auditors, are consolidated with several City funds contained in the CAFR.

**AMENDMENT AGREEMENT NO. 8  
EXHIBIT B - FEE SCHEDULE**

**I. General**

(a) The Contractor shall be paid for those Services performed pursuant to the Contract a maximum amount of **Twenty Six Million, Six Hundred Eighty Seven Thousand, Sixty Eight and 00/100 Dollars (\$26,687,068)**. The amounts contracted for each of the **NINE (9)** years of the Contract are as follows:

Audit	4 <sup>th</sup> Amendment					
	2007	2008	2009	2010	2011	Total
CAFR	\$ 1,268,163	\$ 1,287,193	\$ 1,347,280	\$ 1,455,757	\$ 1,204,824	\$ 6,563,217
Single Audit	553,380	561,684	587,904	635,185	525,697	2,863,850
Water	184,460	187,228	195,968	211,728	175,232	954,616
Sewerage	184,460	187,228	195,968	211,728	175,232	954,616
Municipal Parking	115,287	117,017	122,480	132,330	109,520	596,634
<b>2<sup>nd</sup> Amendment</b>	1,651,040	1,098,615	491,070	0	0	3,240,725
<b>5<sup>th</sup> Amendment</b>	10% Reduce	From	Current	Contract	<b>(219,050)</b>	<b>(219,050)</b>
<b>Total 1st 5-Years</b>	<b>\$ 3,956,790</b>	<b>\$ 3,438,965</b>	<b>\$ 2,940,670</b>	<b>\$ 2,646,728</b>	<b>\$1,971,455</b>	<b>\$14,954,608</b>

	2012	2013	2014	2015	2016	Total
				Option Year 1	Option Year 2	
CAFR	\$ 963,859	\$ 963,859	\$ 963,859	\$ 963,859		\$ 3,855,436
Single Audit	420,558	420,558	420,558	420,558		1,682,232
Water	140,186	140,186	140,186	140,186		560,744
Sewerage	140,186	140,186	140,186	140,186		560,744
Municipal Parking	87,615	87,615	87,615	87,615		350,460
<b>5<sup>th</sup> Amendment</b>	<b>\$1,752,404</b>	<b>\$1,752,404</b>	<b>\$1,752,404</b>	<b>\$1,752,404</b>		<b>\$ 7,009,616</b>
<b>6<sup>th</sup> Amendment</b>	<b>409,786</b>	<b>\$ 1,564,617</b>	<b>0.0</b>			<b>\$ 1,974,403</b>
<b>7<sup>th</sup> Amendment</b>			<b>\$1,236,845</b>			<b>\$ 1,236,845</b>
<b>8<sup>th</sup> Amendment &amp; Change Order</b>				<b>1,358,136</b>		<b>\$ 1,358,136</b>
<b>DDOT 2015</b>				<b>153,460</b>		<b>153,460</b>
<b>Total By Year</b>	<b>\$2,162,190</b>	<b>\$3,317,021</b>	<b>\$2,989,249</b>	<b>\$3,264,000</b>		<b>\$ 11,732,460</b>
<b>Total Contact</b>						<b>\$ 26,687,068</b>

NOTE: The contract amount broken down by City agency (and product) as reflected in the fee schedule above is merely an allocation of the amounts based on a percent to total breakdown from a previous contract. It is not meant to reflect a maximum charge by agency (or product). KPMG may charge more or less by agency, but the total amount all audit services charged in year 2012, 2013, 2014, and 2015 should not exceed \$2,162,190, \$3,317,021, \$2,989,249, and \$1,752,404, respectively.

This Eighth Amendment represents audit fees for Option Year 1 (2015) which is equal to the contract base audit fees for the years 2012, 2013 and 2014 as agreed to in Amendment No.5. In addition, it includes fees for additional Grants and SEFA work; GASB 68 Implementation Assistance; City Records Difficulty, Internal Control Issues, and Bankruptcy Accounting Issues. In no case will the maximum amount for fiscal years ended June 30, 2012, 2013, 2014 and 2015

audit exceed the total contracted amount above without an amendment approved by the Auditor General. **The total amount of this 8th amendment is \$3,264,000**

(b) Payment for the proper performance of the Services shall be contingent upon receipt by the City of invoices for payment. **Each invoice shall certify the total cost, listing details of the number of hours worked for each classification listed below with the appropriate hourly rate, and itemizing other costs when applicable.** Each invoice must be received by the City not more than thirty (30) days after the close of the calendar month in which the services were rendered and must be signed by an authorized officer or designee of the Contractor.

An updated KPMG “Audit Project Tracker” report will be submitted with each monthly invoice. This project management tool will be used to facilitate tracking and communication of progress in completing the audit plan.

2015 Audit			
<u>Resource Level</u>	<u>Total Hours</u>	<u>Standard Rates</u>	<u>Total Fees</u>
Partner	1,600	285	\$ 456,000
Senior Manager	3,600	240	864,000
Manager	800	180	144,000
Senior	6,000	145	870,000
Associate	10,000	93	930,000
Estimated Totals for 2015 Audit	<u>22,000</u>		<u>\$ 3,264,000</u>

2015 Audit	
<u>Change Order Scope by Audit Area</u>	
Additional Grants and SEFA work	\$ 300,000
GASB 68 Implementation Assistance	153,000
Client Record Difficulties	310,800
Internal Control Issues	310,136
Bankruptcy Accounting Issues	284,200
Total 2015 Change Order	<u>\$1,358,136</u>

IN WITNESS WHEREOF, the City and the Contractor, by and through their duly authorized officers and representatives, have executed this Amendment.

WITNESSES:

1. [Signature]  
(signature)  
Deborah Bills-Jellow  
(print name)  
2. [Signature]  
(signature)  
Cheryl McBay  
(print name)

CONTRACTOR:

BY: [Signature]  
(signature)  
Joseph A. Kowalski  
(print name)  
ITS: Partner  
(title)

WITNESSES:

1. [Signature]  
(signature)  
Cheryl McBay  
(print name)  
2. [Signature]  
(signature)  
JEFFREY VEDWA  
(print name)

OFFICE OF THE  
CITY OF DETROIT AUDITOR GENERAL  
BY: [Signature]  
(signature)  
MARK W. LOCKRIDGE  
(print name)  
ITS: AUDITOR GENERAL  
(title)

THIS AMENDMENT WAS APPROVED  
BY THE CITY COUNCIL ON  
**JUL 21 2014**

APPROVED BY LAW DEPARTMENT  
PURSUANT TO SECTION 6-406 OF THE  
CHARTER OF THE CITY OF DETROIT

[Signature]  
Purchasing Director Date

Corporation Counsel

Date

THIS AMENDMENT IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY RESOLUTION OF THE CITY COUNCIL AND SIGNED BY THE PURCHASING DIRECTOR.

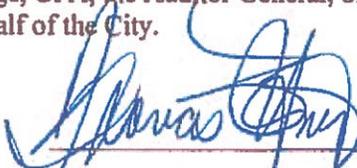
**FRC APPROVAL**  
**JUL 21 2015**

FRANCES WINFREY  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF WAYNE  
MY COMMISSION EXPIRES Jul 1, 2019  
ACTING IN COUNTY OF Wayne

CITY ACKNOWLEDGMENT

STATE OF Michigan )  
 )SS.  
COUNTY OF Wayne )

The foregoing contract was acknowledged before me the 6<sup>th</sup> day of March, 2015, by Mark W. Lockridge, CPA, the Auditor General, of the Office of the Auditor General for the City of Detroit, on behalf of the City.

  
\_\_\_\_\_  
Notary Public, County of Wayne  
State of MICHIGAN  
My commission expires: 7/1/2019

FRANCES WINFREY  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF WAYNE  
MY COMMISSION EXPIRES JULY 2019  
NOTARY IN COUNTY OF Wayne

**Detroit City Council**  
Legislative Policy Division

TO: Purchasing Division Staff  
FROM: David Teeter *DT*  
DATE: July 22, 2015

RE: **PURCHASING ITEMS APPROVED BY THE CITY COUNCIL**

There were no contracts, approved at the July 14, 2015 Regular Session, requested to be Reconsidered.

*The following contracts and purchase orders were reported to the City Council by the indicated Standing Committee, at the Regular Session of July 21, 2015 and **APPROVED***

**Reported by the Budget, Finance and Audit Committee:**

2761395,Amend.8            KPMG LLC + \$3,264,000 to \$26,687,068            AUDITOR GENERAL  
Submitted in the List and Referred July 14, 2015; Approved with **WAIVER**.

2911333            Veolia Water North America            \$149,010.82            NON-DEPARTMENTAL  
Submitted in the List and Referred July 14, 2015; Cost to be reimbursed from State CGAP Grant.

**Reported by the Internal Operations Committee:**

2873835,Renew            Wolverine Solutions Group            \$28,600            ELECTIONS  
Submitted in the List and Referred July 14, 2015.

87396            Wendy M. Caldwell (Leland)            \$12,750            CITY COUNCIL  
Submitted in the List for July 21, 2015; Placed on Consent Agenda; Approved with **WAIVER**.

87316            Teresa Trammel            \$29,146            COMM. & CREATIVE SERV.  
Submitted in the List for July 21, 2015; Moved to New Business; Approved with **WAIVER**.

87364            Sanders Bryant IV            \$65,000            MEDIA SERVICES  
Submitted in the List for July 21, 2015; Moved to New Business; Approved with **WAIVER**.

87365            Joanna Darby            \$57,000            MEDIA SERVICES  
Submitted in the List for July 21, 2015; Moved to New Business; Approved with **WAIVER**.

87366            Christopher Mosley            \$60,000            MEDIA SERVICES  
Submitted in the List for July 21, 2015; Moved to New Business; Approved with **WAIVER**.

Purchasing Division  
Contracts and Purchase Orders Received, Considered at Regular Session  
of July 21, 2015

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*The following contracts and purchase orders were reported to the City Council by the indicated Standing Committee, at the Regular Session of July 21, 2015 and **APPROVED***

**Reported by the Internal Operations Committee:** - continued

87367	Andre Royster	\$50,000	MEDIA SERVICES
Submitted in the List for July 21, 2015; Moved to New Business; Approved with <b><i>WAIVER</i></b> .			
87368	David Strong	\$57,000	MEDIA SERVICES
Submitted in the List for July 21, 2015; Moved to New Business; Approved with <b><i>WAIVER</i></b> .			
87369	Phylecia Wilson	\$40,000	MEDIA SERVICES
Submitted in the List for July 21, 2015; Moved to New Business; Approved with <b><i>WAIVER</i></b> .			
87370	Tjiffany Crawford	\$55,000	MEDIA SERVICES
Submitted in the List for July 21, 2015; Moved to New Business; Approved with <b><i>WAIVER</i></b> .			
87371	Adriane Davis	\$45,000	MEDIA SERVICES
Submitted in the List for July 21, 2015; Moved to New Business; Approved with <b><i>WAIVER</i></b> .			

**Reported by the Neighborhood and Community Services Committee:**

No Contracts Reported

**Reported by the Planning and Economic Development Committee:**

No Contracts Reported

**Reported by the Public Health and Safety Committee:**

2910810	Bob Maxey Ford	\$59,227.69	TRANSPORTATION
Submitted in the List and Referred July 14, 2015; Corrected to add Vendor's Name.			

*The following contract was previously submitted to the City Council and referred to the indicated Standing Committee, has been **WITHDRAWN** from further consideration.*

**Referred to Public Health and Safety Standing Committee:**

2910779	ID Networks	\$129,030	POLICE
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Submitted in the List and Referred June 30, 2015; Withdrawn at Committee Meeting of July 20, 2015.

*The following contracts were **REFERRED** on July 21, 2015 to the indicated Standing Committee for consideration and report to the City Council.*

**Referred to Budget, Finance and Audit Committee:**

2881148,Amd.2	Preferred Building Services	FINANCE – Public Safety Headquarters
2881154,Amd.2	Eagle Security Services	FINANCE – Public Safety Headquarters

**Referred to Internal Operations Committee:**

87384	Eric Hobson	HUMAN RIGHTS
2909511	The Garcia Law Group	LAW
2909523	The Garcia Law Group	LAW

**Referred to Neighborhood and Community Services Committee:**

No Contracts Referred

**Referred to Planning and Economic Development Committee:**

2893802,Amd.1	Operation Get Down	PLAN. & DEVELOPMT.
2893815,Amd.1	Southwest Counseling Solutions	PLAN. & DEVELOPMT.
2898967,Amd.1	Invest Detroit Found.	HOUSING & REVITALIZATION
2911278	N. American Commerce Center	PLAN. & DEVELOPMT.

**Referred to Public Health and Safety Committee:**

2907551	New Center Comm. Mental Health	HEALTH & WELLNESS
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Purchasing Division  
Contracts and Purchase Orders Received, Considered at Regular Session  
of July 21, 2015

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*The following are contracts that are currently HELD for review, discussion or report to the Standing Committees.*

**Internal Operations Committee:**

2654324,Chg.5 AssetWorks (Ext. 5-3-15 thru 5-2-19) + \$1,673,463.94 to \$5,908,830.82 GEN.SERV  
Submitted in the List and Referred on July 14, 2015.

87352 Rodney Nolen \$45,000 HUMAN RIGHTS  
Submitted in the List and Referred on July 14, 2015.

**Planning and Economic Development Committee:**

2896965,Amend.1 Heat and Warmth Fund (THAW) + \$100,000 to \$347,589.40 PLAN & DEVLPT.  
Submitted in the List and Referred June 16, 2015.

**REQUEST FOR INCOME TAX CLEARANCE**

REQUESTING DEPARTMENT/DIVISION: Finance Dept/ Purchasing Div CONTACT: BUSHE JACKSON 224-4619  
313-230-3303 PHONE: 313-230-3303

Type of Clearance:  New  Renewal (Please submit 30 days prior to submitting bid or expiration date)

A. To: City of Detroit For: Individual  
Income Tax Division or Company Name KPMG LLP  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Ste. 612 Address: 150 W. Jefferson  
Detroit, MI 48226 Suite 1900  
Phone: (313) 224-3328 or 224-3329 City: Detroit  
Fax: (313) 224-4588 State: MI Zip Code: 48226  
Telephone: 313-230-3303 Fax #: 313-230-3001

B. Name of Chief Financial Officer/Authorized Contact Person  
(Include address if different from above) Joseph Kowalski Telephone #: 313-230-3303  
Employer Identification or Social Security Number 13-5565207 Fax #: 313-557-6089  
Spouse Social Security Number N/A

Nature of Contract: Auditing BID/CONTRACT AMOUNT (if known):  
Labor: \$ \_\_\_\_\_ Materials: \$ \_\_\_\_\_  
Contract # (if known) 2761395/2763564

**C. ALL QUESTIONS MUST BE ANSWERED TO EXPEDITE APPROVAL PROCESS. ANY QUESTION NOT ANSWERED MAY RESULT IN A DENIAL OF INCOME TAX CLEARANCE**

Check One:  Individual  Corporation  Partnership

**INDIVIDUALS ANSWER QUESTIONS 1-3-4.**  
1. Have you filed joint returns with spouse during the last seven (7) years? (If yes, include spouse SSN above)  Yes  No  
2. Are you a student, and/or claimed as a dependent on someone else's tax return?  Yes  No  
3. Were you employed during the last seven (7) years?  Yes  No  
4. Were you a resident of Detroit during the last seven (7) years?  Yes  No

**CORPORATIONS AND PARTNERSHIPS ANSWER QUESTIONS 5-7.**  
5. Is the company a new business in Detroit? If yes, attach Employer Registration (Form D88-4).  Yes  No  
6. Will the company have employees working in Detroit?  Yes  No  
7. Will the company use sub-contractors or independent contractors in Detroit?  Yes  No

**D FOR INCOME TAX USE ONLY**

Has the contractor complied with the provisions of the City Income Tax Ordinance?  
 Yes  No Signature: LUCHETIA JENNINGS Date: MAY 22 2014 Expires: MAY 22 2015  
 Yes  No Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Expires: \_\_\_\_\_  
 Yes  No Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Expires: \_\_\_\_\_

VISIT OUR WEBSITE FOR INFORMATION AND TAX FORMS AT [www.ci.detroit.mi.us](http://www.ci.detroit.mi.us)



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/9/14

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. 20 CHURCH STREET, 8 <sup>th</sup> FLOOR HARTFORD, CT 06103	CONTACT NAME:		
	PHONE (A/C, No, Ext):	FAX (A/C, No):	
EMAIL ADDRESS:			
INSURED KPMG LLP THREE CHESTNUT RIDGE ROAD MONTVALE, NJ 07645-0435	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A:	HARTFORD FIRE INSURANCE CO	19682
	INSURER B:	AMERICAN GUARANTEE & LIAB INS CO	26347
	INSURER C:	TRUMBULL INSURANCE CO	27139
	INSURER D:	TWIN CITY FIRE INSURANCE CO	29459
	INSURER E:		

COVERAGES      CERTIFICATE NUMBER: 15175      REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

BOER LTR	TYPE OF INSURANCE	ADOL BOER	SUBR WYS	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			02C R22015	10/1/2014	10/1/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$500,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$5,000,000 PRODUCTS - COMPDP AGG \$2,000,000 \$
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/>			02 AB R22010 (AOS) 02 AB R22022 (III) Carrier: Hartford Underwriters Ins. Co. NAIC #30104	10/1/2014	10/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			AUC9304907-12	10/1/2014	10/1/2015	EACH OCCURRENCE \$ AGGREGATE \$ \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (MANDATORY IN MI) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N		02 WN R22016 (AOS)	10/1/2014	10/1/2015	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
D				02 WBR R22017 (WI)			

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 Work Comp - Partners Excluded  
 City of Detroit- Office of Auditor General, only as required by written contract with the insured, is included as additional insured under the commercial general liability policy

## CERTIFICATE HOLDER

City of Detroit- Office of Auditor General  
 Coleman A. Young Municipal Center  
 2 Woodward Avenue, Suite 208  
 Detroit, MI 48226

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

### Hiring Policy Compliance Affidavit

I, Joseph Kowalski, being duly sworn, state that I am the Partner  
\_\_\_\_\_ of KPMG LLP  
Title Name of Bidder Corporation or Other Business Entity

and that I have reviewed the hiring policies of this employer. I affirm that these policies are in compliance with the requirements of Article V, Division 6 of the Detroit City Code of 1984, being Sections 18-5-81 through 18-5-86 thereof. I further affirm that this employer will not inquire or consider the criminal convictions of applicants for employment needed to fulfill the terms of any City contract that may result from the competitive procedure in connection with which this affidavit is submitted, until such times as the employer interviews the applicant or determines that the applicant is qualified.

In support of this affidavit, I attach a copy of the application form that will be used to hire employees needed to fulfill the terms of any City contract that may result from the competitive procedure in connection with which this affidavit is submitted. \* See attached letter

SIGNED,

Joseph A. Kowalski  
Title: Partner Date: 1-30-14

STATE OF Michigan )  
COUNTY OF Wayne ) SS

The foregoing Affidavit was acknowledged before me the 30 day of January, 2014  
by Meryl Harris

Notary Public, County of Wayne  
State of Michigan  
My commission expires: 9-10-2019



KPMG LLP  
Suite 1900  
150 West Jefferson  
Detroit, MI 48226

Telephone +1 313 230 3000  
Fax +1 313 230 3001  
Internet [www.us.kpmg.com](http://www.us.kpmg.com)

January 28, 2014

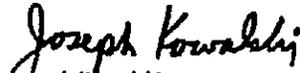
To Whom it may concern:

Re: Slavery Era Records and Insurance Disclosure Affidavit

KPMG was established in 1897 and did not exist during the slavery era in the United States, is not a successor in interest to any entity that existed during such time, and therefore has no relevant records to search, or any pertinent information to disclose.

Very truly yours,

KPMG LLP

  
Joseph Kowalski  
Partner

**CITY OF DETROIT**  
**SLAVERY ERA RECORDS AND INSURANCE DISCLOSURE AFFIDAVIT**

1. Name of Contractor: KPMG LLP
2. Address of Contractor: 150 W. Jefferson, Suite 1900, Detroit, MI 48226
3. Name of Predecessor Entities (if any): \_\_\_\_\_
4. Prior Affidavit submission?  No  Yes, on: \_\_\_\_\_  
(Date of prior submission)

If "No", complete Items 5 and 6.

If "Yes", list date of prior submission above, go to Item 6 and execute this Affidavit.

5.  Contractor was established in 1897 (year) and did not exist during the slavery era in the United States, is not a successor in interest to any entity that existed during such time, and therefore has no relevant records to search, or any pertinent information to disclose.

\_\_\_\_ Contractor has searched their records and those of any predecessor entity, and has found no records that they or any predecessor(s) made any investments in, or derived profits from the slave industry or from slave holder insurance policies.

\_\_\_\_ Contractor has found records that they or their predecessor(s) made investments in, or derived profits from, the slave industry or slave holder insurance policies. The nature of the investment, profits, or insurance policies, including the names of any slaves or slave holders, is disclosed in the attached document(s).

6. I declare that the representations made in this Affidavit are accurate to the best of my knowledge and are based upon a diligent search of records in the Contractor's possession or knowledge. All documentation attached to this Affidavit reflects full disclosure of all records that are required to be disclosed to the City of Detroit. I also acknowledge that any failure to conduct a diligent search, or to make a full and complete disclosure, shall render this contract voidable by the City of Detroit.

Joseph Kowalski (Printed Name) Partner (Title)

Joseph Kowalski (Signature) 1-30-14 (Date)

Subscribed and sworn to before me  
this 30 day of January, 2014  
Cheryl R. [Signature]  
Notary Public, Wayne County, Michigan  
My Commission expires: 9-10-2019



KPMG LLP  
Suite 1900  
150 West Jefferson  
Detroit, MI 48226

Telephone +1 313 230 3000  
Fax +1 313 230 3001  
Internet www.us.kpmg.com

January 28, 2014

To Whom It may concern:

Re: Hiring Policy Compliance Affidavit

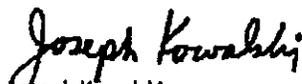
KPMG will not be able to sign this form as we do perform criminal background checks on our employees. When a candidate applies with KPMG they submit an application online. After submitting the application, the candidate reads and signs the following Notice and Disclosure Statement:

In connection with my application for employment, I understand that the background investigation report will be requested and that as part of this process, a separate Authorization for Release of Information form will be provided to me which will disclose the nature and scope of the background inquiry and in which I will be requested to authorize the performance by KPMG or its agents of a background investigation. By signing this employment application, I hereby release KPMG, its partners, principals, employees, agents or representatives from any and all liability and responsibility, damages and claims of any kind whatsoever arising from this background investigation.

Please see the attached Employment Application Form and KPMG Hiring Policy.

Very truly yours,

KPMG LLP

  
Joseph Kowalski  
Partner

**COVENANT OF EQUAL OPPORTUNITY**  
**(Application for Clearance – Terms Enforced After Contract is Awarded)**

I, being duly authorized representative of the KPMG LLP (hereinafter "Contractor"), do hereby enter into a Covenant of Equal Opportunity (hereinafter "Covenant") with the City of Detroit, ("hereinafter" City); obligating the Contractor and all sub-contractors not to discriminate against any employee or applicant for employment, training, education, or apprenticeship connected directly or indirectly with the performance of the contract, with respect to his or her hire, promotion, job assignment, tenure, terms, conditions or privileges of employment because of race, color, religious beliefs, public benefit status, national origin, age, marital status, disability, sex, sexual orientation, or gender identity or expression.

I understand that it is my responsibility to ensure that all potential sub-contractors are reported to the City of Detroit Human Rights Department and have a current *Contract Specific Clearance* on file prior to working on any City of Detroit contract. I further understand that the City of Detroit reserves the rights to require additional information prior to, during, and at any time after the Clearance is issued.

Furthermore, I understand that this covenant is valid for the life of the contract and that a breach of this covenant shall be deemed a material breach of the contract and subject to damages in accordance with the City of Detroit Code, Ordinance No. 27-3-2, Section (e).

RFQ/PO No. 2761395/2763564

Printed Name of Contractor: KPMG LLP  
(Type or Print Legibly)

Contractor Address: 150 W. Jefferson, Suite 1900, Detroit, MI, 48226  
(City) (State) (Zip)

Contractor Phone/E-mail: 313-230-3000 / jakowalsk@kpmg.com  
(Phone) (E-mail)

Printed Name & Title of Authorized Representative: Joseph Kowalski, Partner

Signature of Authorized Representative: *Joseph Kowalski*

Date: January 28, 2014

\*\*\* This document **MUST** be notarized \*\*\*

Signature of Notary: *Cheryl R. Havens*

Printed Name of Seal of Notary: Cheryl R. Havens

My Commission Expires: 09 10 2019

For Office Use Only:	
Gov. Rec'd: <u>1/1/14</u>	Department Name: _____
<input type="checkbox"/> Accepted by: _____	<input type="checkbox"/> Rejected by: _____
Please email or fax Covenant and EOX to Director of Human Rights Department 1240 CAYMC, at Human Rights of the Detroit Law or fax (313) 224-3434	