

**HENRY FORD COLLEGE
OFFICE OF THE PRESIDENT**

BOARD REPORT

SUBJECT: Fiscal Year 2023 Mid-Year Budget Adjustment

Mid-year budget adjustments are required for the initial FY2023 adopted budget in order to adjust revenue and expenses based upon actual activity for the first six months of the fiscal year.


Total revenue is recommended to be decreased by \$1M. The increase in State Appropriations of \$500,000 is in Personal Property Tax reimbursement. The increase in State Appropriations took place after the College's budget was approved in May 2022. Tuition decreased by \$2.2M. Enrollment was budgeted at the same level as FY2022. However, Fall enrollment decreased by 3.2% and Winter enrollment is anticipated to decrease by 1.5%. Summer 2022 enrollment was down by 15%. Investment earnings have been reviewed and will be increased by \$700,000 due to increased investment rates.

Expenses have been reviewed and decreases for the various categories total \$1.3M. Funding for adjunct faculty is reduced by \$400,000 due to the enrollment reduction. Also, an adjustment for employee vacancies of over \$700,000 provides an expense reduction for the year. Other categories of reductions total \$200,000.

With the recommended adjustments, the net surplus for FY2023 increases from \$63,000 to \$363,000.



John S. Satkowski, JD
Vice President of Financial Services



Russell A. Kavalhuna, JD
President

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BID AWARD

SUBJECT: Sisson Gallery Renovation
Sealed Bid #22326

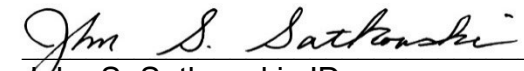
The Director of Facility Services requests a contract for the labor, materials, equipment, and services necessary for the Sisson Gallery Renovation project in the Fine Arts Building (Building F). The art gallery has received only necessary repairs and minor updates over the past 40 years. The project intends to bring the Sisson Gallery up to modern gallery and exhibition standards. The scope of work for the base bid includes, but is not limited to, associated demolition work and renovation work for walls and wall coverings, painting, new doors, door hardware, flooring, and ceiling materials, and upgraded electrical service and lighting fixtures. As an option to reduce costs, the bid includes Alternate 1 that specifies the cleaning and repainting of a section of ceiling panels and light fixtures rather than a complete replacement. The College recommends acceptance of Alternate 1 in order reserve an allowance for contingencies and keep the project within budget.

The College invited bid submissions under Sealed Bid #22326. The bid responses appear below. After reviewing the results and interviewing the low bidder, the project design team recommends an award to the low, qualified bidder.

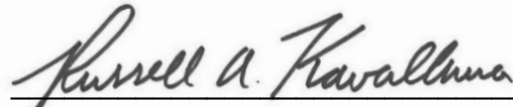
Bidder	Base Bid	Alternate 1	Total Bid
PGC Development	\$236,750	-\$3,500	\$233,250
Spence Brothers	298,000	-\$900	297,100
Kasco Inc	320,000	-\$4,000	316,000
LaSalle Construction Services	383,00	-\$5,000	378,000
Auch Construction			No Bid
Albert M. Higley			No Reply
Aristeo Construction			No Reply
AZ Shmina			No Reply
DeMaria Building Co			No Reply
Spartan Construction			No Reply

RECOMMENDATION:

The College administration recommends a contract award to PGC Development, LLC for \$233,250.00 for the Sisson Gallery Renovation project, as requested by Facility Services in accordance with the specifications of Sealed Bid #22326.



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BID AWARD

SUBJECT: Commercial Cooking Equipment
Sealed Bid #22307

The faculty of the School of Business, Entrepreneurship, and Professional Development (BEPD) request a contract for the purchase of commercial cooking equipment including the parts and services needed to receive, inspect, deliver, and install the following:

- A. (1) Commercial Modular Countertop Range (Hotplate), Southbend Model HDO-36;
- B. (1) Tabletop Reversible Dough Sheeter with 70"L x 20"W working area, Thunderbird Food Machinery Model TBD-500T;
- C. (2) Gas Fryer Systems with two fry pots and four fry baskets, Vulcan Model VX15;
and
- D. (3) 48" Moveable Gas Connector Kit, Dormont Manufacturing Model 675 KITS 48 for the above Hotplate and Gas Fryers.

BEPD seeks to upgrade the kitchen equipment used in the Culinary Arts and Hospitality Management programs to better train and prepare students for jobs in the food service industry. The Hotplate and (2) Gas Fryers replace a pressure steamer and (2) fryers purchased approximately 20 years ago for which no bidder offered trade-in credit. The Dough Sheeter provides new, industry-leading equipment to students enrolled in baking and pastry classes.

Federal Vocational Education Equipment Grant (Perkins) dollars provide 100% of the funds for this purchase. The College solicited proposals from local food equipment distributors under Sealed Bid #22307. The responses appear below.

Bidder	Shipping Time	Total
Stafford Smith	7 – 182 Days	\$72,469.58
Great Lakes Hotel Supply	14 – 189 Days	73,543.87
Douglas Equipment *		Disqualified
Advanced Restaurant Equipment		No Reply
All Things Restaurant		No Reply
Bell & Sons		No Reply
Central Restaurant Products		No Reply
Edward Don & Company		No Reply
Gold Star Products		No Reply
Peoples Restaurant Equipment		No Reply
Technology International		No Reply
US Foods Detroit		No Reply

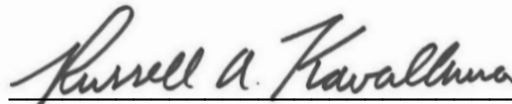
* Douglas Equipment submitted a bid for equipment only that totaled \$65,885.03. Their bid did not include required services to remove and dispose of existing equipment and to receive, inspect, deliver, and install the new equipment. The bidder also quoted a shipping time of 230 days (mid-August 2023). To comply with the requirements of the Perkins grant, the College must receive equipment by June 30, 2023. The College must use its own funds or other grants to pay for equipment received after June 30.

RECOMMENDATION:

The College administration recommends a contract award to Stafford Smith, Inc. for \$72,469.58 for Commercial Cooking Equipment, as requested by the School of Business, Entrepreneurship, and Professional Development in accordance with the specifications of Sealed Bid #22307.



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CONTRACT AWARD

SUBJECT: Fine Arts Elevator Modernization Project – Emergency Repair

The College issued a contract on December 22, 2022 for the labor, materials, equipment, and services necessary to repair and modernize the passenger/freight elevator in the Fine Arts Building (Building F), after consultations between the administration and the Board President. The elevator gets used frequently by students, faculty, and staff. Handicapped and wheelchair bound students and guests have no other means to move from one floor to another which jeopardizes compliance with the Americans with Disabilities Act and it provides the safest means to transport heavy materials, equipment, and supplies between floors of the building.

The Fine Arts elevator went out of service in early December due a catastrophic failure of its central control board and other mechanical components. Due to the elevator's age, replacement parts are no longer made or available. Even if service could be performed, it would have to include major updates to the elevator's safety systems to meet current building and fire codes. The elevator requires a complete renovation and overhaul.

The College's current provider of elevator maintenance and repair services, Kone, Inc., stated that they have no crews available to start work until October 2023 and that repairs could take 6 - 8 months to complete. Their cost estimate ranged from \$142,350 to \$228,155.

Facility Services and Purchasing searched for other well-qualified firms in the industry and identified Otis Elevator as the best alternate source. Otis Elevator had crews available immediately and estimated the upgrades will take 4-5 months and cost \$179,975. Otis Elevator based its pricing on a contract with OMNIA Partners, Public Sector, a group purchasing organization used by the College. Both the State of Michigan (Act 451 of 1976, Sec.1274.3) and the Board (Administrative Guideline 6320, Paragraph H) encourage the use of cooperative and/or group purchasing agreements.

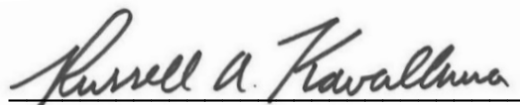
In accordance with Board Administrative Guideline 6320, Paragraph I, emergency purchases may be authorized without utilizing the quotation or bidding process, in circumstances where there is a threat to life, health, and safety of students, staff, the general public, and/or district property. The Board shall be advised of an approved emergency purchase, if over the state bid limit, at the next regularly scheduled Board meeting.

RECOMMENDATION:

The College administration recommends a contract award to Otis Elevator Company for \$179,975.00 for the Fine Arts Elevator Modernization project requested by Facility Services, in accordance with the Otis Elevator Proposal #KDS12092022 dated December 9, 2022.



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