

Detroit Procurement Amendments:

Council President Brenda Jones has submitted several amendments to provide outreach, enhance definitions, and provide better opportunities for City of Detroit contractors and vendors who hire Detroit residents.



Purpose: This ordinance seeks to encourage the participation of Detroit residents in the contracting and procurement process by designating the Office of Contracting and Procurement as chiefly responsible for the development of various educational materials and seminars conducive to providing jobs, skills training, and growth to Detroit Communities.

Target Outreach:

The Office of Contracting and Procurement is required to host 14 outreaches annually.

Target Reporting:

- A) The Office of Contracting and Procurement is responsible for the collection of data of contractor and subcontractor employees. This information includes the following:
- (i) The number of Detroit residents assigned to work on the contract
 - (ii) The name, address and job title of all employees of the contractor/subcontractor
 - (iii) The employee's salary of employees distinguishing both full-time and part-time
 - (iv) Certification indicating proof that the employees are properly classified on the employer's payroll.

Detroit Resident Employment Initiative:

- A) Any contractor awarded a contract for a service that does not end within one year or has an extension and employs less than 51% of Detroit residents at the beginning of the contract or employment falls below 51% at any time during the contract, must complete the following:
- (i) Submit a Detroit Resident Hiring Plan to the Civil Rights, Inclusion and Opportunity Department explaining how they plan to increase the number of Detroit residents employed on the contract to 51% or more.
 - (ii) If required, this plan must be submitted prior to receiving a notice to proceed from the Office of Contracting and Procurement.
- B) If a contractor receives a contract for over \$100,000 and employs below 51% of Detroit residents then they must be complete the following requirements:
- (i) **Year 1:** Attend three scheduled Recruitment and Outreach Program meetings within the first 6 months of the contract and submit a Hiring Plan report after completion of the third scheduled program.
 - (ii) **Year 2:** Contractors that have not achieved a 51% Detroit resident workforce must attend a Recruitment and Outreach Program meeting every 3 months and submit a Hiring Plan by December 31st of the second-year contract.
 - (iii) **Year 3:** Contractors that have not achieved a 51% Detroit resident workforce must attend three Recruitment and Outreach Program meetings within the first 6 months of the third year and submit a Hiring Plan report after attending the third meeting. If the contractor has not yet met the 51% requirement, a Target Hiring Recruitment evaluation will be

conducted by CRIO to determine if a hiring fine should be issued.

If a contractor does not meet any of the goals laid out then this will result in a fine to be determined by the Civil Rights, Inclusion and Opportunity Department.

Proposed Detroit Based Business and Detroit Resident Business Definitions and Equalization Credit Amendments:

Detroit-Based Business:

The additional changes that are being proposed are as follows:

- No less than 30% of a company's inventory, equipment, and vehicles are located at the Detroit location.
- A minimum of 30% of employees are Detroit residents with documentation providing the name and address of the Detroit resident used to substantiate certification.
- A Detroit resident employee of the Detroit Based Business must be on the business entities payroll and subject to IRS required tax deductions.

Detroit-Resident Business:

The additional changes that are being proposed are as follows:

- Documentation must be provided verifying the name and address of the Detroit residents used to substantiate certification.
- Detroit Resident Business employees must be on the business entities payroll and subject to IRS required tax deductions.

Current Equalization Credits for Detroit-Based Business and Detroit-Resident Business:

Equalization credits are received for qualified vendors and gives vendors more of an opportunity to be the lowest bidder.

Equalization Allowance Table	
Contract Amount	Equalization Percentage
Up to \$10,000.00	5%
\$10,000.01 to \$100,000	4%
\$100,000.01 to \$500,000.00	3%
\$500,000.01 and over	2%

If the bidder qualifies as both a Detroit-based business and a Detroit-resident business, the equalization factor will be doubled as seen in the proposed table:

Equalization Allowance Table	
Detroit headquartered business	6%
Detroit-based business	6%
Detroit-resident business	6%
Detroit-based small business	1%
Detroit-based micro business concern	2%
Joint venture	2%
Mentor venture	1%

The purpose of the proposed changes are to guarantee that Detroit-Based Businesses and businesses that hire Detroiters are able to access City of Detroit Opportunities.

Proposed Bid Notification Changes:

- All Bids required to be noticed via City-wide digital distribution
- If no bids are received from a Detroit Business, implementation of 21 day target outreach and recruitment in order to inform, attract and encourage Detroit businesses to bid on city contracts.