


## MEMORANDUM

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**TO:** Lawrence Garcia, Corporation Counsel  
City of Detroit

Tonja Long, Supervising Assistant Corporation Counsel  
City of Detroit

**CC:** Honorable Colleagues  
Janice Winfrey, City Clerk  
Avery Peebles, City Council Liaison

**FROM:** Council President Brenda Jones 

**DATE:** July 14, 2021

**RE:** Policy Layout: Invest in Detroit Procurement Amendments

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On Tuesday, April 27, 2021 I submitted three amendments to the City of Detroit Procurement Ordinance.

Since then, I have conducted meetings, digital outreach and social media outreach to guarantee engagement of all impacted departments, City Council members, City contractors, residents and various other special interest groups on the amendments.

Please see the final policy layout including all requested amendments to the City of Detroit Procurement Ordinance. This report includes:

- I. Cover Page: Invest in Detroit Procurement Amendments
- II. Policy Layout
- III. City Council notes organized by council office
- IV. Administration Working Group Notes
- V. Special Advisory Working Group I Notes
- VI. Special Advisory Working Group II Notes
- VII. Contractor Outreach and Engagement
- VIII. Social and Digital Media Outreach

I look forward to a final draft by August 31, 2021.

# **Invest in Detroit Procurement Amendments**

*Policy Layout*

## Part A: Target Reporting, Outreach and Recruitment

### *Section 17-5-11 Manner of purchasing*

c. The Chief Procurement Officer shall be responsible for the following efforts to encourage the participation of Detroit businesses and Detroit residents in the procurement process:

1. The development of workshops, seminars, and educational materials regarding contracting, the procurement processes and employment opportunities for Detroit residents. This effort will be done with the Detroit Economic Growth Corporation, the Detroit Employment Solutions Corporation (or iterations thereof), the Targeted Business Policy Development Board and skilled trade entities;

2. The sponsorship of at least fourteen (14) Recruitment and Hiring Outreach Program meetings annually, two (2) in each City Council District, which will be coordinated with the two-at-large Council members and the District Council Member in order to recruit Detroit Businesses and Residents to provide services on City of Detroit contracts. This effort is encouraged to be in collaboration with the Detroit Economic Growth Corporation, the Detroit Employment Solutions Corporation (or iterations thereof) and skilled trade entities;

3. Preparation of educational programs in collaboration with local colleges, the Detroit Public Schools Community District, and other education providers to encourage local entrepreneurship and develop the skills necessary for successful participation in the competitive bidding process.

4. Provide notification of outreach programming in the manner set forth under Article XII, Community Outreach, Section 12-10-12 through Section 12-10-16 of this Code.

d. Target Reporting: The Chief Procurement Officer shall be responsible for the collection of data regarding a contractor's employees and/or his/her subcontractor's employees.

- i. The information collected pursuant to this subsection shall be maintained by the Chief Procurement Officer for the duration required by law for record keeping but not less than the contractual term (including any extensions or amendments thereto); the information collected under subsection (d) (iii) shall be included as a term and/or condition of the contract; the target reporting results collected with each contract shall be provided to City Council when submitted for approval.

ii. The information to be collected pursuant to this subsection shall be applicable to: (1) any contract for goods or services where Detroit Residents are employed to perform the contract; and (2) any service contract that requires the service to be performed within the borders of the city of Detroit and the Contractor or subcontractor employs non-Detroit residents to perform the contract.

iii. The information provided shall include:

1. The number of Detroit residents assigned to work on the contract awarded;
2. The name, address and job title of all employees of the contractor and all employees of subcontracts assigned to the work on the contract. Residency to be verified via various forms of identification.
3. The employee's salary differentiating between full-time and part-time.
4. Certification that the employees are properly classified on the employer's payroll. This shall be verified with the submission of IRS Form 941.

*Sec. 17-5-11 subsection e: Detroit Resident Employment Initiative*

Detroit Resident Employment Initiative

Detroit Resident Workforce Requirements:

- 51% Detroit Resident Workforce Requirement
  - All contracts funded with city dollars that can be performed within city limits excluding construction and professional services.
- 30% Detroit Resident Workforce Requirement- Construction
  - Construction
- 30% Detroit Resident Workforce Requirement-Professional Services
  - Professional Services

At time of winning the bid, if the contractor falls below the required Detroit Resident Workforce Requirement, the Office of Contracting and Procurement is required to notify the contractor of their status and refer them to the city's workforce development agency for employee matching assistance.

The contractor must meet the required workforce requirement prior to receiving a notice to proceed. The Contractor must submit proof to the Office of Civil Rights Inclusion and Opportunity that they meet the required workforce percentage prior to receiving a notice to proceed from the Office of Contracting and Procurement. The Office of Contracting and Procurement must verify the proof of the workforce requirement with the Civil Rights Inclusion and Opportunity Department and provide verification to the contractor. Residency must be verified utilizing various forms of ids.

If a contractor does not meet the required workforce requirement prior to receiving a notice to proceed:

***For contracts that are \$100,000 and at least one year enrollment into the Detroit Resident Employment Outreach and Recruitment Initiative***

51% Detroit Resident Workforce Requirement

All contracts falling within the 51% Detroit Resident Workforce category that fall within the threshold must maintain a 51% Detroit resident workforce during the term of the contract. If a contractor falls below the workforce requirements and has at least a year left on the contract or if the contractor does not have a 51% Detroit resident workforce at the time of receiving a notice to proceed:

1 year contracts

- Attend 3 outreaches within the first three months of the contract
- Submit recruitment report after each outreach

Fine evaluation - at the end of the term of the contract

- Failure to submit any of the 3 required reports
- Failure to attend the required number of outreaches
- Failure to hire Detroit applicants that (1) have a GED/high school diploma (2) pass a drug test in order to meet the 51% workforce target. If enough applicants are not received to reach the 51% Detroit resident workforce requirements, all applicants that meet the above standards must be hired

Contracts over one year

- Attend 4 outreaches within the first year of the contract
- Submit recruitment report after each outreach

Fine evaluation - after the first year of the contract

- Failure to submit any of the 4 required reports
- Failure to attend the required number of outreaches
- Failure to hire Detroit applicants that (1) have a GED/high school (2) pass a drug test in order to meet the 51% workforce target. If enough applicants are not received to reach the 51% Detroit resident workforce requirements, all applicants that meet the above standards must be hired.

After the first year evaluation, contractors that have obtained a 51% Detroit resident workforce, must maintain a 51% Detroit workforce during the term of the contract or a fine determined by CRIO will be assessed annually. If a contractor falls below the 51% workforce target during the

term of the contract, the contractor has 30 days to meet the 51% workforce target. This can be achieved by:

1. Attending city outreaches
2. Independent hiring measures

Contractors are exempt from fines if the following occurs:

1. Hired Detroiters move out the city which results in a drop in Detroit resident workforce percentages
2. Detroit applicants withdraw their interest in employment

Verification:

1. Residency
  - a. Various forms of identification
2. Qualifications:
  - a. Resumes of interviews applicants and submitted applications
  - b. Current or previous Job postings
  - c. Current Job descriptions

### 30% Detroit Resident Workforce Requirement- Construction

All contracts falling within the 30% Detroit Resident Workforce Construction category that fall within the threshold must maintain a 30% Detroit resident workforce during the term of the contract. If a contractor falls below the below the workforce requirements and has at least a year left on the contract or if the contractor does not have a 30% Detroit resident workforce at the time of receiving a notice to proceed:

1 year contracts

- Attend 3 outreaches within the first three months of the contract
- Submit recruitment report after each outreach

Fine evaluation - at the end of the term of the contract

- Failure to submit any of the 3 required reports
- Failure to attend the required number of outreaches
- Failure to hire Detroit applicants that 1) Have the certifications, training and required skills required to perform the service and if a contractor has Department of Labor Approved Apprenticeship Program, failure to hire all applicants that meet have passed the basic skills test to qualify as an apprentice. 2) Pass a drug test in order to meet the 30% workforce target. If enough applicants are not received to reach the 30% Detroit resident workforce requirements, all applicants that meet the above standards must be hired

Contracts over one year

- Attend 4 outreaches within the first year of the contract
- Submit recruitment report after each outreach

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Fine evaluation - after the first year of the contract

- Failure to submit any of the 4 required reports
- Failure to attend the required number of outreaches
- Failure to hire Detroit applicants that 1) Have the certifications, training and required skills required to perform the service and if a contractor has Department of Labor Approved Apprenticeship Program, failure to hire all applicants that meet have passed the basic skills test to qualify as an apprentice. 2) Pass a drug test in order to meet the 30% workforce target. If enough applicants are not received to reach the 30% Detroit resident workforce requirements, all applicants that meet the above standards must be hired.

After the first year evaluation, contractors that have obtained a 30% Detroit resident workforce, must maintain a 30% Detroit workforce during the term of the contract or a fine determined by CRIO will be assessed annually. If a contractor falls below the 30% workforce target during the term of the contract, the contractor has 30 days to meet the 30% workforce target. This can be achieved by:

1. Attending city outreaches
2. Independent hiring measures

Contractors are exempt from fines if the following occurs:

1. Hired Detroiters move out the city which results in a drop in Detroit resident workforce percentages
2. Detroit applicants withdraw their interest in employment
3. Accepted at least 5 apprentices or partnered with an organization that has accepted at least 5 apprenticeships across the various trades and skills required throughout the term of the contract.

Verification:

1. Residency
  - a. Various forms of identification
2. Qualifications:
  - a. Resumes of interviews applicants and submitted applications
  - b. Current or previous Job postings
  - c. Current Job descriptions

### 30% Detroit Resident Workforce Requirement-Professional Services

All contracts falling within the 30% Detroit Resident Workforce Professional Services category that fall within the threshold must maintain a 30% Detroit resident workforce during the term of the contract. If a contractor falls below the below the workforce requirements and has at least a year left on the contract or if the contractor does not have a 30% Detroit resident workforce at the time of receiving a notice to proceed:

#### 1 year contracts

- Attend 3 outreaches within the first three months of the contract
- Submit recruitment report after each outreach

#### Fine evaluation - at the end of the term of the contract

- Failure to submit any of the 3 required reports
- Failure to attend the required number of outreaches
- Failure to hire Detroit applicants that (1) Have the certifications, training, education and required skills required to perform the service as listed in the jobs description or current/previous job posting 2) Pass a drug test in order to meet the 30% workforce target. If enough applicants are not received to reach the 30% Detroit resident workforce requirements, all applicants that meet the above standards must be hired

#### Contracts over one year

- Attend 4 outreaches within the first year of the contract
- Submit recruitment report after each outreach

#### Fine evaluation - after the first year of the contract

- Failure to submit any of the 4 required reports
- Failure to attend the required number of outreaches
- Failure to hire Detroit applicants that (1) Have the certifications, training, education and required skills required to perform the service as listed in the job description and/or current or previous job posting 2) Pass a drug test in order to meet the 30% workforce target. If enough applicants are not received to reach the 30% Detroit resident workforce requirements, all applicants that meet the above standards must be hired.

After the first year evaluation, contractors that have obtained a 30% Detroit resident workforce, must maintain a 30% Detroit workforce during the term of the contract or a fine determined by CRIO will be assessed annually. If a contractor falls below the 30% workforce target during the term of the contract, the contractor has 30 days to meet the 30% workforce target. This can be achieved by:

1. Attending city outreaches
2. Independent hiring measures

Contractors are exempt from fines if the following occurs:

1. Hired Detroiters move out the city which results in a drop in Detroit resident workforce percentages
2. Detroit applicants withdraw their interest in employment
3. Created and maintained a mentorship and internship program for Detroit residents

Verification:

1. Residency
  - a. Various forms of identification

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2. Qualifications:
  - a. Resumes of interviews applicants and submitted applications
  - b. Current or previous Job postings
  - c. Current Job descriptions

*Sec. 17-5-11 subsection e (iv): Target Hiring and Recruitment Report shall detail the following:*

1. Dates of attended outreaches
2. Number of Detroit resident Interviews
3. Number of Detroit resident hires
4. Explanation on why Detroit residents were or were not hired

Recruitment Reports shall be forwarded to the City of Detroit workforce development agencies.

All contractors are required to notify the Civil Rights, Inclusion and Opportunity Department when hiring. The Civil Rights, Inclusion and Opportunity Department shall provide notification of hiring in the manner set forth under Article XII, Community Outreach, Section 12-10-12 through Section 12-10-16 of this Code.

***For contracts less than \$100,000 and less than one year: Hiring Plan Requirement***

Submission of a hiring plan signed by the contractor's President, Chief Executive Officer or their designee consisting of the following measures prior to receiving a notice to proceed:

2. Use City employment agency as the company's priority staffing partner for all openings in Detroit for the term of the contract
3. Develop and implement a Detroit at Work Staffing Plan in partnership with the company's city employment staffing consultant, where feasible, including but not limited to:
  - a. Actively recruit for employment from colleges located in the City of Detroit
  - b. Maintain partnership with the Detroit Public School Community District
4. Post all Detroit job openings through Detroit at Work.com and pursuant to the notification requirements defined in the Community Outreach Ordinance for a City Wide proposal
5. Modify pre-employment screening and testing so that an applicant who tests positive for a legalized substance in the State of Michigan is not disqualified from the hiring process, to the extent permissible under applicable laws, regulations, and other legal requirements.
6. Commit to an agreed-upon priority hiring window for all new positions in Detroit-at the inception of the agreement, and give priority to Detroiters for all positions that must be backfilled (following attrition) in Detroit for the term of the contract
7. Commit to attending a New Employer Introduction meeting for Grow Detroit's Young Talent (GDYT), Detroit's summer youth employment program, in the first 90 days following approval

Contractors subject to the hiring plan requirement will be evaluated each time they are awarded a contract. Upon award of a subsequent contract, if the contractor's Detroit resident workforce still falls beneath the required workforce target, evaluation of the contractor's compliance with the hiring plan will be conducted by CRIO prior to receiving a notice to proceed. If the contractor failed to comply with the terms of the hiring plan, a fine will be assessed. If the contractor complies with the terms of the hiring plan and still falls beneath the required workforce target, the contract must sign the standard hiring plan prior to receiving a notice to proceed.

All contractors are required to notify the Civil Rights, Inclusion and Opportunity Department when hiring. The Civil Rights, Inclusion and Opportunity Department shall provide notification of hiring in the manner set forth under Article XII, Community Outreach, Section 12-10-12 through Section 12-10-16 of this Code.

The Civil Rights, Inclusion and Opportunity Department shall post the following on their website and update all changes within thirty days:

1. All contractors enrolled in the Detroit Resident Employment Initiative including:
  - a. Contractor Name
  - b. Contractor Service
  - c. Contractor Dollar amount
2. All submitted recruitment reports
3. All submitted hiring plans

Contractors shall meet and be evaluated for Detroit resident hiring requirements each time they are awarded a contract bid. At the time of winning a bid for a city contract, if a contractor does not meet the necessary hiring requirements and is currently enrolled in the Detroit Resident Employment Outreach and Recruitment Initiative or has a hiring plan that was signed within the last 180 days, the contractor shall be exempt from following the requirements of the Detroit Resident Employment Outreach and Recruitment Initiative or signing into a hiring plan.

The Office of Contracting and Procurement will still be required to:

1. Notify the contractor of their status and refer them to the city's workforce development agency for employee matching assistance.

The contractor will still be required to:

1. Contact the City of Detroit employment agency following notice of winning the bid for employment matching.
2. Prior to receiving a notice to proceed, report to the Office of Civil Rights and Inclusion to receive verification of Detroit Resident Employment Outreach and Recruitment Initiative enrollment or hiring plan status. Verification must be submitted to the Office of Contracting and Procurement prior to receiving a notice to proceed.

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- a. If a contractor that is currently enrolled into the Detroit Resident Employment Outreach and Recruitment Initiative has failed to attend the required outreaches and submit the required reports at the time of winning the bid, the contractor shall be assessed a fine.

The Office of Civil Rights and Inclusion shall submit a schedule of fees to the City Council for approval to be approved by resolution and posted on the Office of Civil Rights and Inclusion's website.

All fines shall be remitted to the Detroit Procurement Opportunity Fund specifically for the purpose of:

1. Assist with marketing, recruitment and outreach efforts.
2. Investment into workforce development programs proven to result in jobs for Detroiters.

*Sec. 17-5-11 subsection f:*

Any information obtained by the Office of the Chief Procurement Officer or the Office of Civil Rights and Inclusion pursuant to this Article shall be available to the City Council upon request by the body,

- (i) Any request for information by the City Council related to this article regarding a contract submitted for approval by the City Council shall be provided within 21 days of the submission of the request.

(g) The Chief Procurement Officer shall provide to the Chief Financial Officer, or his/her designee the name and address of all employees of a contractor or his/her subcontractor's employees working on an awarded contract subject to this subsection (d) (ii). The Chief Financial Officer, shall utilize the information to ensure all applicable contractor and subcontractor employees comply with the Detroit City Income Tax Ordinance, Section 42-2-1 et seq.

*Sec. 17-5-53 – Directed by Chief Financial Officer; managed by Chief Procurement Officer:*

- (g) Submit all Detroit Supply Schedule requests for proposals to City Council at the time such requests are released for bidding.

## Part B: Compliance, Equalization Credits and Bid Policy Requirements

### *Sec. 17-5-1 Definitions*

**Construction** means the construction, erection, reconstruction, alteration, conversion, demolition, repair, moving, or equipping of buildings or structures.

**Construction Contractor** means any contractor that has been awarded a contract for the purpose of the construction erection, reconstruction, alteration, conversion, demolition, repair, moving, or equipping of buildings or structures.

**Construction Workforce Development Business (C-WDB)** means a contractor that participates in a Registered Apprenticeship Program that is registered with the United States Department of Labor Office of Apprenticeship or by a State Apprenticeship Agency recognized by the Office of Apprenticeship. This shall be verified by submission of the Certificate of Registration of Apprenticeship Program from the Office of Apprenticeship with the United State Department of Labor for a federally certified program, or a corresponding Certificate of Apprenticeship from the Michigan Department of Labor and Economic Opportunity for a state certified program.

**Construction Workforce Investment Business (C-WIB)** means a contractor that provides evidence of health insurance, pension, and other retirement benefits to the employees that will provide the work on the proposed contract. This shall be verified by a copy of the relevant sections in the collective bargaining agreement or a copy of the plan documents for a pension and insurance contracts for health insurance.

### **Corporate Accountability Clearance**

- a) The bidder and its employees have all valid and currently effective licenses, registrations or certificates for the type of construction trade work which it proposes to perform and the bidder has not had any such licenses, registrations, or certificates 9 revoked in the past five years. This shall be verified by copies of the relevant licenses, registrations or certificates needed to complete the work the project requires.
- b) The firm has not been debarred or suspended by any federal, state, or local governmental agency or authority in the past three years. This shall be verified by an affidavit with the penalty of false information being spelled out in the City's breach of contract rules.
- c) The bidder has not within the past five years been found in violation of any law applicable to its contracting business, including but not limited to, licensing laws, tax laws, labor laws, wage and hour laws, prevailing wage laws, or environmental laws. This shall be verified by an affidavit with the penalty of false information being spelled out in the City's breach of contract rules.

- d) The bidder does not misclassify employees as independent 19 contractors. This shall be verified by an affidavit with the penalty of false information being spelled out in the City's breach of contract rules.

**Detroit-headquartered business (D-HB)** means a business which:

- 1) Has received a certification as a Detroit-based business, as defined in this section;
- 2) Has at least 30% Detroit Residents on the business entities payroll and subject to IRS required tax deductions. Detroit residents must be verified by a form of identification.
- 3) Ownership of a location capable of storing equipment and/or inventory. This shall be verified by deed and proof of most recent property tax payment.
- 4) Has an office within the City that serves as the administrative center where the chief executive officer and highest level management staff perform at least 51 percent of their management functions; and

**Detroit-resident business (D-RB)** means any business which employs a minimum of four employees at least 51 percent of which are City residents as verified with documentation evidencing the name and address of the Detroit residents used to substantiate certification. A Detroit Resident Business employees shall be on the business entities payroll and subject to IRS required tax deductions. Detroit residents must be verified by a form of identification and submission of required tax forms.

#### **Workplace Safety Clearance**

- a) If the prospective job would require workers to handle or interact with regulated hazardous materials, then the contractor must ensure that all employees who will be handling or interacting with hazardous materials are current with the relevant hazardous materials awareness training. This shall be verified by the certificate(s) of completion or transcript(s) from the training entity for the relevant awareness training for the type of hazardous materials that the workers will handle or interact with on the job.
- b) All craft labor that will be employed by the firm for the project have completed at least the OSHA 30-hour construction training course for safety established by the U.S. Department of Labor, Occupational Safety & Health Administration. This shall be verified by a copy of the certificates of completion of the OSHA 30-hour construction industry training course for all employees that will be working on the proposed job.

#### *Subdivision B. – Purchasing of City Goods and Services*

Sec. 17-5-12. – Solicitation of bids, comparison of equalization credits in bids, and application of equalization credits for bids, for major purchases; exceptions.

(3) Notification of bids shall be provided in the manner set forth under Article XII, Community Outreach, and Section 12-10-12 through Section 12-10-16 of this Code.

1. Receive written bids submitted by prospective contractors.

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- a. Prior to bidding a contract or service, the Office of Contracting and Procurement is required to conduct outreach and recruitment to businesses within the City of Detroit prior to bidding for all services that can be performed within the City of Detroit. Outreach and Recruitment efforts shall include but not be limited to: (a) Researching businesses located within the City of Detroit providing the service and contacting them via email and phone informing them on (1) The upcoming bid opportunities (2) How to become a city vendor (3) Referral to the Office of Civil Rights and Inclusion for information on how to access Detroit Opportunity Equalization credits (4) Referral to the Detroit Economic Growth Corporation for capacity building supporting (5) Referral to the Detroit Employment Solutions Corporation for workforce development support. If the contract is awarded to a business outside of the City of Detroit, the Office of Contracting and Procurement is required to submit an outreach and recruitment report prior to approval by the City Council. The outreach and recruitment report shall include (1) Names and addresses of all contacted businesses that were located within the City of Detroit. (2) Summary of notification process, contact results and the information sharing process (3) If the contractor bid, why they were not selected. If the department has satisfied the requirement of this section through 1 of the 14 required outreaches within the last 30 days, the department shall not be required to conduct additional outreach and recruitment and shall note the efforts within the outreach and recruitment report. All reports shall be posted on the City of Detroit website.

Equalization Allowance Table (**elimination of dollar amount specifics and extra points for multiple credits with no credits receiving equalization credits over 12%. Creation of one standard equalization table**)

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

Mentor Venture	1%
Construction Workforce Investment	5%
Construction Workforce Development	5%

No contract shall receive equalization credits over 12%.

1) A bidder claiming Construction Workforce Investment and/Construction Workforce Development Equalization Credits(s):

- a) May not assign or subcontract its City contracts to a business without the approval of such assignment or subcontract by the Purchasing Director.
- b) May not assign or subcontract its City contracts to a business that does not meet the criteria Construction Workforce Investment and/Construction Workforce Development Equalization Credits(s) for which the bidder has claimed.
- c) Any bidder who is awarded equalization credits shall maintain the requisite qualifications through the awarding and completion of the construction project and/or the Certification period, whichever is longer.

All federally funded construction contracts are required to comply with the Davis-Bacon Act.

The Office of Contracting and Procurement shall make sure that all construction projects meet the criteria to receive both a corporate accountability clearance and a workplace safety clearance prior to City Council consideration or a notice to proceed.

All contractors receiving equalization credits shall be posted on the Office of Civil Rights and Inclusion website.

# **STAKEHOLDER ENGAGEMENT NOTES**

*City Council President Brenda Jones*

**Invest in Detroit Procurement Amendments**



# City Council Notes

**Overview:** The Office of Council President Brenda Jones organized two meetings per council office to discuss the Invest in Detroit Procurement amendments. The first series of meetings took place in May which gave council offices an overview of the amendments and allowed each office to provide feedback and to offer any friendly amendments to strengthen the legislation.

The second series of meetings took place throughout June and July to discuss the Detroit Resident Hiring Initiative and the changes to the proposed ordinances.

## *The Office of Council President Pro Tem Sheffield*

*The first meeting took place on Monday, May 10<sup>th</sup>.*

### **Office Representatives**

1. Jasmine Barnes, OFCPBJ
2. Paris Blessman, OFCPPMS

**OFPPMS:** The Office reviewed the documents after discussing with Pro-Tem Sheffield. Pro-tem expressed no issues with it. The only issue would be if the union did not support the changes. Asked questions relative to changing the definitions for Detroit Based and Detroit Headquartered Business.

**OFCPBJ:** The language itself is not complicated. This would require reporting to ensure transparency. There are digital tools to support this policy change. As a result of the failure to receive responses to data gathering information, there is no data to support a higher threshold. The main issues are to make sure Detroiters are getting hired on city contracts. The State of Michigan is implementing a questionnaire similar to the one created by the OFCPBJ.

The plan is to define employees as 30% and equipment as 50%. So, this will make sure contractors are making equitable contributions. We also added money to CRIO.

- The definition needs to be strengthened to make it more difficult, and hopefully incentivize contractors to move into Detroit and hire Detroiters raising from it from 2% to 6%. Elimination of DHQ because DHQ builds on DBB. So, for a Detroit business that has Detroit residents it can be equalized at 12%, but the City will get that money back on income on property tax. Detroit is never going to stop contracting recurring services.

The Office of Council President Brenda Jones

***\*The Office of President Pro Tem Sheffield indicated they did not need to meet for the second set of meetings therefore the second meeting regarding the Detroit Resident Hiring Initiative and updates regarding the legislation was cancelled.\****

## *Office of Council Member Janee Ayers*

*The first meeting took place on Monday, May 4<sup>th</sup> and the second meeting took place on Friday, July 2, 2021.*

### **Office Representatives**

1. Jasmine Barnes, OFCPBJ
2. Kathy Quackenbush, OFCMJA

### **Monday, May 4<sup>th</sup>:**

#### Questions:

- Did the law department or LPD write the ordinances?
  - A: LPD wrote it (not the usual process)
- Did your office discuss the ordinance with procurement or CRIO, etc.? What is the impact on department capacity? What are reactions from the departments?
  - A: We are hopeful to begin discussions soon. The Administration has not been responsive to our request for meeting. However, we have implemented both target reporting and outreach. Additional dollars have been added to both OCP and CRIO's budget to support the changes.
- What is already implemented vs. new programs?
  - A: The employment program is new and the equalization credits.
- Are you bringing the unions on to talk about the construction piece?
  - A: Yes.
- The requirements for the last equalization credit seemed to be already covered by law, is that correct?
  - A: We've seen that despite something being law, contractors often will not follow the law because they think they can get away with it.
- Enforcement of the contractor rules would involve signing an affidavit, and then it would be up to individuals to complain to CRIO if they feel they aren't in compliance – is that right?
  - A: That's one option, yes, but that is something we will discuss more later on. CRIO will also get additional funding for enforcement.

#### Comments:

- Member Ayers likely won't accept everything without hearing the opinions of the Departments involved.
- Getting this in writing would help make things more clear.

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- The ordinance itself isn't confusing and seems pretty straightforward.
- It's likely that the unions will be in support so it may not be necessary to hear from them.

### **Friday, July 2<sup>nd</sup>:**

Concerns that Member Ayers is likely to have:

1. How feasible are the requirements for these contractors? Member Ayers might need to meet with representatives from these trades to see how feasible it is to meet these requirements in particular.
2. Are the reporting requirements unreasonably burdensome on the contractors? Can you reach the same goal making the requirements less burdensome on the other party?

*Answer:* This has previously been tested and implemented.

3. To what extent will these requirements increase contractors' costs? Will contractors increase their prices to be able to afford to cooperate with the requirements in place? Member Ayers will want to conduct a cost benefit analysis (CBA) to assess whether it is even worth it to employ these contractors on city contractors or not if they are going to increase their price

*Answer:* By implementing these policies, the city is investing in providing pensions and benefits, as well as employing Detroiters. There is not much to assess in our opinion.

## *Office of Council Member James Tate*

*The first meeting took place on Tuesday, May 11<sup>th</sup> and the second meeting took place on Monday, June 28, 2021*

### **Office Representatives**

1. Jasmine Barnes, OFCPBJ
2. Edwina King/Alexis Davis, OFCMJT

### **May 11<sup>th</sup>**

Questions:

- a. Is this for all contracts, or is it for specific types of contracts, (MiDeal)?
  - a. There will be restrictions; contractors have to be physically performing the work in the city.
  - b. Funding for contracts; are we looking at contracts that cover grant funding?

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- a. City contracts.
- c. Companies will hire Detroiters, then these Detroiters will move, so OFCMJT is supportive of a mechanism of the companies/contractors proving that the contractors are attempting to hire Detroiters and attempting to ensure that compliance is being met.
- d. Leaning towards a higher percentage than 30% of equipment/inventory, referenced construction/UPS location and other locations that are Detroit-based but do not have the space for equipment/inventory.
- e. Fines; is it going to a fund to support this ordinance?
  - a. Yes and investment into business and employment development.

*Union/Responsible Bidder Discussion*

Questions:

- b. What is being done to ensure that Detroiters have opportunities to enter into the trades?
  - 1. Directing fines/funding into the correct areas to provide training/apprenticeship opportunities.
- c. Are there any partnerships to assist in the development of trades?
  - 1. There are some training facilities and partnerships with high schools that provide some opportunities. Working on some transportation programs to get individuals out to Howell and get some practice on heavy equipment training.
- d. Which unions are participating in access for all?
  - 1. IBW, Plumbers, Engineers

**June 28<sup>th</sup>**

After receiving a final overview, OFCMJT Strongly supports getting Detroiters hired on city contracts and supporting Detroit Businesses and looks forward to reviewing the final draft.

## *Office of Council Member Roy McCalister*

*The first meeting took place on Thursday, May 13<sup>th</sup> and the second meeting took place on Friday, July, 2 2021.*

***Office Representatives***

- 1. Jasmine Barnes, OFCPBJ
- 2. Paul Corbett/Myles Miller, OFCMRMC

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## Thursday, May 13<sup>th</sup>

OFCPBJ gave an overview of the Invest in Detroit procurement amendments. Council Member McCalister's staff asked clarifying questions and indicated they would be taking the discussion of the meeting back to their council member. The staff indicated they looked forward to the future discussions regarding this legislation.

### Comments:

- \$100,000 is a great starting point
- Streamlining process is very important to establish

### Questions:

- This is only going to apply to contracts over \$100,000?
  - Yes
- What is the timeline?
  - We need to utilize community outreach and we really want to collaborate with as many people, offices, and departments as possible. It will depend on how big the contract is.

## July 2<sup>nd</sup>

### OFCMRMC Comments:

- Wants more accountability from contractors in terms of honoring the City of Detroit in their practices.
- Appreciates how the new legislation forces business partners to respect Detroit and "hold their feet to the fire"
- Very committed to the city and its neighborhoods and appreciates how the new legislature stops outside companies from coming in and getting contracts while doing the bare minimum for the city.
- Supports the new standards set to hold firms accountable and promote engagement and outreach into the community.
- Discussed the benefits of DESC reception of recruitment reports done by firms to help gather better intelligence on the hiring and interviewing practices of companies and the preferences of the Detroit workforce.
- Discussed the benefits of informing the citizens of the opportunities present to promote economic equity and justice.
- Asked "What role can CRIO and Detroit at Work play in the assistance programs to let people know what is available to them" and was answered in detail of plans such as:
  - Digital structure has already been put in place for them to assist in their outreach
  - Funding will be provided for them to run radio and print ads

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- Contractors will be working with them to get the word out
  - All they have to do is follow the outreach blueprints already provided to them
- Discussed the benefits of logging qualified workers who miss out on initial opportunities to have a pool of qualified workers ready for future investment opportunities.
  - Discussed providing oversight and accountability with DESC as well as synergy with OCP.
  - Touched on best case scenarios where contractors will go to the DESC first and stay off the DHP and on top of their thresholds from the start.
  - Discussed holding the mayoral office accountable through legislature as they are the means of enforcement of these proposed standards.
  - Focused on the continuous accountability that the legislature is looking to provide to make sure contract money is best spent to help citizens.
  - Touched on future investment plans and the need to focus 20 years down the line on emerging industries such as technology.

## *Office of Council Member Scott Member Benson*

The first meeting took place on Friday, May 14<sup>th</sup> and the follow-up meeting took place on Friday, May 28<sup>th</sup>.

### ***Office Representatives***

1. Jasmine Barnes, OFCPBJ
2. Emberly Vick, OFCMSB

### **May 14<sup>th</sup>**

**OFMSB:** How many businesses would the Hiring compliance affect? You can get as many points in the bid but can businesses negotiate meeting in the middle for a lower price? The major concern is whether or not the city pays the mark-up price. No concerns with new credits or definitions. Currently looking at a lot of data to determine what this percentage would be but it will ultimately be up to the Council.

**OFCPBJ:** We will take this back.

### **Friday, May 28<sup>th</sup>**

**OFMSB:** Office conducted a site over winter and discussed inability to beat threshold requirement (51%) throughout the phases of construction. They may be above with operators, but not electricians. They might not have the carry over and get fined. So, when you say 51%, do you mean for the entire project?

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**OFCPBJ:** We will take this back.

**OFCMSB:** Member Benson thinks the contract threshold is too low. He would prefer \$1 M. Member Benson also wanted to know if this is for singular contracts from multiple contracts. No answer at this time. They also want to know if this is a million in one contract total or a million total?

**OFCPBJ:** No data has been provided to increase the threshold. We have requested data support since the fall. Additionally, the target reporting that was stopped was to assist with this process. However, the reporting no longer occurs.

**OFCMSB:** If Detroiters move or quit, what or how are we dealing with that? If you were at 51, but you lost employees and you fall below 51? Also what if the business is at capacity?

**OFCPBJ:** We will take this back.

**OFCMSB:** Member Benson wants DEGC to have a role and more accountability. Their office likes that the hiring plan is modeled after the DESC version.

**OFCMSB:** Detroit city income tax piece, how often are they reporting?

**OFCPBJ:** When someone wins the contract.

***\*The Office of Council Member Scott Member Benson did not have any additional concerns thus the second meeting regarding the Detroit Resident Hiring Initiative and updates regarding the legislation was cancelled.***

## *Office of Council Member Andre Spivey*

*The first meeting took place on Tuesday, May 11<sup>th</sup> and the second meeting took place on Tuesday, July 6<sup>th</sup>.*

### **Office Representatives**

1. Jasmine Barnes, OFCPBJ
2. Keith Jones/Ed King, OFCMAS

### **May 11<sup>th</sup>**

1. Target Reporting Ordinance
  - a. Questions/Concerns/Suggestions
    - i. How does it work with 1099 employees?
      1. A lot of workers would rather be contracted employees than full-time employees.

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- a. However, this is counterintuitive to the city collecting revenue from taxes.
- ii. More specific about certification; there is a federal requirement to fill out a form, could use a similar form.

## 2. Target Outreach Ordinance

### a. Questions/Concerns/Suggestions

- i. Why 14 outreaches?
  - 1. 2 per district
- ii. After the first year would they not be aware of the problems?
- iii. If it is over \$100,000 what type of contracts would this apply to? (example: an IT company from Minnesota)
  - 1. Does not apply to this; the jobs have to be within the city.
- iv. How many of these contracts are actually three years or longer?
- v. Contractor could say that after one year, the city does not have the workforce available to perform some of these contracts/jobs.
- vi. Demo contracts have knowledge of contracts being rewarding prior to the work beginning (30-60 days to get to council after being alerted they were the lowest responsible bidder).
  - 1. Some of these people (Detroit residents) who were originally quoted as being a part of the contract/company before the bid was accepted and during certification may not be with the company anymore when the work begins.
  - 2. The outreach can be performed within this 30-60 day window to ensure the work is not held up.
- vii. After one year; CIRO could review the company/contractor to determine if additional years are needed.

## 3. Equalization Credits

### a. Questions/Concerns/Suggestions

- i. Why 30%?
  - 1. They believe it should be higher than 30%.
- ii. How can you account for 30% of the equipment?
  - 1. Hard to track; need something more traceable. Need language to capture what a Detroit-based business really is; (example: companies who just have location with administration services but subcontract out work)
    - a. Ownership of a facility that is capable of storage of equipment/storage; not just a building with an office. (not just renting out).
- iii. Why Detroit-based and Detroit-resident; why do we need both?
  - 1. Southfield businesses with large amounts of Detroit-based residents.



4. Bid Notification
  - a. Questions/Concerns/Suggestions
    - i. Could use social media to disseminate information about bids.
    - ii. Like the mandatory notification better than the 21 day window.
  - b. Will this apply to the Water Department?
    - i. A lot of the contracts do not go through procurement.
  
5. Union Discussion
  - a. Concerns of Union
    - i. Change orders, contractors bidding lower than going back with change orders to generate more money, classifying workers as independent contractors and not providing them with insurance and benefits and robbing the city of taxes as well. (ensuring certified payroll)
      1. Limits protections and safeties when workers are labeled as independent contractors (harassment, discrimination, safety issues on the job site)
    - ii. Concerns about underbidding and then the lack of capacity and ability of these companies to complete the work.
  
6. Responsible Bidder Ordinance
  - a. Questions/Concerns/Suggestions
    1. Credit is to reinforce workplace safety because often these are not complied with.
    2. Ensuring Detroiters get jobs is important, but so is protecting them and ensuring they're being compensated fairly.
    3. How did the 6% for the credit come about?
      - a. Looked/listened to how much their contractors were being underbid and based on those numbers tried to go somewhere in the middle and as a starting off point.
    4. All the three equalization credits collectively?
      - a. Yes; looking at a possible monetary cap or a cap at 18%.
    5. Could corporate accountability become a clearance?

## **Tuesday, July 6<sup>th</sup>:**

### **OFCMAS:**

- Put a lot on 3rd party being employers is a concern
  - Penalties could be put in place for 3rd party employees
- Hiring guidelines have to go with outreach
  - Similar to weed equity

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- Stacking on every industry causes court to look at it a little closer (law department should be handling this)
- GSD contractor have a large percentages can't give employee numbers
- Let in Detroit apprentices (presented to union several times= no need to amend five times which was the goal)
- Stand still with union due to the equalization credits
- No data sent that proves threshold is feasible

## *Office of Raquel Castaneda-Lopez*

*The first meeting took place on Wednesday, May 12<sup>th</sup> and the second meeting took place took place on Tuesday, July 6<sup>th</sup>.*

### **Office Representatives**

1. Jasmine Barnes, OFCPBJ
2. Kiearha Davidson, OFCMRCL

### **May 12<sup>th</sup>:**

- Where is this process with the law department? Are you all working with them on the current draft?
- Have you received the final approved ordinance yet?
- Will it show up in BFA on June 2nd still?
- CRIO feels comfortable with doing this verification process?
- Where will the new staffer be?
- This is not a process they're currently using?
- This is the one where it happens twice in each district?
- What are the differences between this and the current executive order?
- Would the executive order be rescinded if companies show that they have made best efforts?
- Have you all spoken with CRIO on this piece?
- Do you all have a report with the numbers mentioned on the number of funds allocated to workforce engagement?
- Would this change the equalization percentages?

### Responsible Bidder

- Would each equalization credit be compounded?
- Where did the 6% come from? Was there a conversation with OTC on whether this was affordable?

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- Are there numbers to back up the cost? Numbers to show that an increase in payroll will increase Detroit's income tax base?
- Who determines the hiring plan?

The suggestions provided are as follows:

- Suggested including language to prevent business from being double fined.
- Wanted to schedule a meeting to add language into the hiring plan section.

### **Tuesday, July 6<sup>th</sup>:**

1. So, are these plans for temporary positions as well? I would hate for the contractors to have to do all this work for positions lasting only 30 days?
  - a. Yes these plans are inclusive to temporary positions, but they are still included in the 51%. And additionally, contractors only get fined if they fail to report back or if they fail to attend the outreaches. Contractors have an additional 30 days to meet the requirement (Grace Period) after the deadline.
2. So, on the recruitment report, what is in that report that they have to supply us?
  - a. The recruitment report language is detailed in the ordinance.
    - i. This is then sent to DESC—qualify Detroiters
      - a. We need to invest in development workforce dollars
      - b. These are services we will always need
3. Is DESC doing stuff right now? Because when I looked at it, it said most of the events and things had been cancelled?
  - a. Yes. Even during COVID-19 digital outreaches occurred.
4. Has legal reviewed this language already? (Referring to the part where it reads “All applicants that reach the above requirements must be hired”)
  - a. Law is reviewing.

## *Administration Working Group*

The Office of Council President Brenda Jones organized 3 meetings with the Administration to discuss various aspects of the proposed legislation such as:

- Target Reporting
- Threshold
- Hiring Plan
- Recruitment Report
- Fine Evaluation
- Equalization
- Compliance

**June 3<sup>rd</sup>**

### ***Office Representatives***

1. Jasmine Barnes, OFCPBJ
2. Toni Limmitt, OCP
3. Tonja Long, Law
4. Matthew Heller, CRIO
5. Dana Williams, DESC

### Target Reporting

- **OCP:** We need to know the Threshold associated with Target Reporting
  - **OFCPBJ:** There is no threshold
  - **OCP** I think the target reporting goes in line with threshold
- **Law:** What exactly is being looked for with the Target Reporting?
  - **OFCPBJ:** See 4/16 Ordinance Sec. 17-5-11 Subsection (d)
- **OFCPBJ:** Detroit Supplies Survey is submitted with contract. Once won, the information is pulled from Smartsheet database to confirm 51% workforce. You will only find the information if they win the bid. If they do not meet Threshold, they must sign onto the Hiring Plan.
- **CRIO:** Sometimes new subs get picked up after the contract is awarded. If a contractor is awarded a contract, picks up a sub later, how will that fit in?
  - **OFCPBJ:** For reporting, this would not matter. We do need to address that later for compliance.
- **OCP:** Some contractors have not identified how many employees will be on a contract. How are we supposed to know if they have 51% if they have not been awarded a contract yet (N/A). It does not make sense to use this information beforehand if most are not being awarded a contract.

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- **OFCPBJ:** There aren't many N/A entries. Most know the number of employees who will work on the contract (identifying 51% will not be an issue). This information is not just to know who will be enrolled in additional accountability work, but it is important for the Council to know when they are evaluating contracts. From a legislative end, it is valuable.
- **OCP:** It is not important to us because the number is not included in the Administration's evaluation.
- **OFCPBJ:** It matters to the City Council. We can find out how many Detroiters are employed with the business as a whole..
- **CRIO:** There was an added line to executive order that this does not count for federally funded projects.
  - **OFCPBJ:** None of this will be applicable to federal projects, and this will be stated in the legislation.

#### Threshold

- **OFCPBJ:** Trigger to being entered into Detroit Hiring Initiative: \$100,000.
- **OCP:** We want to say instead of \$1 million, but for contracts at least 3 years of more (regardless of \$ amount), we should have a requirement for 51%
  - **OFCPBJ:** Can we get data broken down about yearly amount and awarded amount?
  - **OCP:** We can get that later.
  - **OFCPBJ:** We need justifiable data to move away from threshold to use 3 years.
  - **OCP:** Data will be given.

#### Fine Evaluation

- **CRIO:** CRIO has an issue with framing this as a fine instead of an incentive. Rewarding contractors getting to where we want to get.
  - **OFCPBJ:** Our office will not be supporting that.
  - **DESC:** The positive spin might get more people to fall in line.
  - **OFCPBJ:** Will take this back to the Council President and see what she says. I like having both, but we need to make sure to hold them accountable. Can we do that?
  - **OCP:** We cannot give preferential treatment on contracts.
- **OFCPBJ:** There is not a lot of support for "I'm just not hiring." Someone like that needs to be fined. But someone with only 3 employees, that is different because it might be a specialized service. We should do fines based upon contracts awarded historically.
- **CRIO:** We can find the sweet spot by changing the threshold.
  - **OFCPBJ:** We can threshold the fine assessments but not the contracts.
  - **CRIO:** We can't make judgement calls just because of the different sizes of workforce.

- **OFCPBJ:** We will work on the wording.
- **OFCPBJ:** We want to focus on hiring efforts in terms of fine evaluation. We need to figure out an exemption/exception for two instances: (1) Hired workers move out of Detroit and (2) Company is not hiring and does not have the capacity to hire
  - **CRIO:** This sounds more complicated. How do we monitor this? Based upon interviews?
  - **Law:** How do we capture on paper efforts?
  - **OFCPBJ:** That's why we have recruitment reports.
  - **Law:** We might need to focus more on that because this is more complex.
- **CRIO:** We need to create a checklist of these things that will be evaluated in the fine. Then we can talk more clearly about what will be in the report...There are parts of this fine assessment that we can verify externally and there are parts that we cannot objectively verify. Two people may make different evaluations.
  - **Law:** We can have an interviewee sign an affidavit. But we do need to talk about how we can find acceptable documentation for fine evaluation. But this does also bring up issues for CRIO's capacity.
- **Law:** The State of Michigan usually includes bonuses based upon time for contracts (e.g. if you finish early).
  - **OFCPBJ:** It's not invaluable but impractical as a city post-bankruptcy. The OFCPBJ feels we should be investing in when spending Detroit tax dollars.
- **CRIO:** What we're looking for is a Yes/No evaluation process for the availability of workforce. I'm not sure if CRIO would be the appropriate body to evaluate that.
  - **OFCPBJ:** DESC would be the ones to make judgement on qualifications.
  - **OCP:** We do need some sort of checklist, but I don't know if evaluating the talent pool is fair.
- **OFCPBJ:**
  - Fine evaluation has two tiers:
    1. You did all the work, outreach, and reporting and we did not have interest or workforce
    2. You did all the work but did not hire those who were available
  - What are some checklist points where we can determine easily (without it being skillset level based)? What does it look like if the contractor did not hire available, qualified Detroiters?
  - Two possible exemptions:
    1. Hired workers move out of Detroit and;
    2. Company is not hiring and does not have the capacity to hire (e.g. small company w/3 employees)
      - a. Threshold may work in this case
- **OFCPBJ:** Contractors should file for an exemption once a bid is won.
- **OCP:** Who would give the exemption?
  - **OFCPBJ:** CRIO would give them the exemption.
- **CRIO:** CRIO does not feel comfortable with that. We don't know how many people are needed to do a job.

- **DESC AND OCP:** We would not know either.
- **OCP:** The department would have to determine this.
- **OFCPBJ:** Contractors who say they aren't hiring will be a threshold issue to Dana's point.
- **OFCPBJ:** We may need to pivot to a tiered threshold. Construction may work, but janitorial services cannot support a \$1 million threshold because we are missing out on a lot of workers.
- **OCP:** will come to next meeting with threshold data
- **CRIO:** I am not okay with the recruitment report, hiring plan, and fine evaluation because they all travel together.
- **OFCPBJ:** Outstanding is threshold, fine evaluation, recruitment report, and hiring plan

## July 8<sup>th</sup>

### **Office Representatives**

1. Jasmine Barnes, OFCPBJ
2. Toni Limmitt, OCP
3. Tonja Long, Law
4. Matthew Heller, CRIO
5. Dana Williams, DESC
6. Avery Peeples, Mayor's Office

### **Overview**

This was a meeting to go over the rough draft of the Detroit Hiring Plan between Dana Williams, Matt Heller, Jasmine Barnes, Tonja Long, Toni Limmit and Avery Peeples.

The meeting began with **OFCPBJ** going over the agenda and asking **OCP** if they had any data to support the increase of the threshold from \$100,000 to \$1,000,000. Due to an error in understanding, **OCP** did not have all the supporting data to show the number of Detroiters hired as well as what contractors of 1 year that are a million or less and what services they provided. To resolve the issue before the follow up meeting on July 15<sup>th</sup>, 2021 **OFCPBJ** offered to send a Toni a spread sheet of what data they need to submit so they can garner support in increasing the threshold before the upcoming meeting.

At some point afterwards **Law** did express concerns regarding verbiage in the plan that says the City of Detroit will require hiring of certain people, due to the fact if there is some sort of issue with that worker that might fall back on the City. Following those concerns, **CRIO** mentioned that it could hard to meet 51% of workforce being Detroit residents if the Detroiters have to meet certain qualifications and requirements.

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**OCP** also expressed concerns with the draft of the Detroit Hiring Plan. **OCP** advises that it would be confusing for their office to distinguish between this law and the executive order from the mayor.

Next, **OFCPBJ** moves on to ask if anyone has concerns about the 9 steps of the Hiring Plan, which the group agrees to remove number 4 which states, BantheBox: Commitment to removing the felony and/or misdemeanor question from the employment application, and agrees to using a background-friendly approach to hiring new employees in Detroit. This was because it was already apart of procurement and would be a repeat. They also agreed that number 8 that says, actively recruit for employment from colleges located in the City of Detroit, and number 9 that says Maintain partnership with the Detroit Public School Community District, should be added to number 2, Develop and implement a Detroit at Work Staffing Plan in partnership with the company's city employment staffing consultant. The last major talking point for this meeting was for compliance equalization credits. **OFCPBJ** advised that DHQ would be getting increased points to 6%.

## Thursday, July 15<sup>th</sup>

### **Office Representatives**

1. Jasmine Barnes, OFCPBJ
2. Toni Limmitt, OCP
3. Tonja Long, Law
4. Matthew Heller, CRIO
5. Dana Williams, DESC

For Detroit businesses:

- **CRIO** verifies residency the same way as the City of Detroit does by verifying IDs and other legitimate documents, **CRIO** will follow all laws when it comes to verification.
- **OFCPBJ** wants to make sure that contractors who are headquartered here are getting equalization credits, for having Detroit headquarters versus someone outside of Detroit with no Detroiters as employees.

For Detroit Headquarters

- DHQ used to be defined as CEO living in the city, DHQ now is location in city with equipment, with employees.
- Maintaining site requirements
- OCP visits sites of Contractors to see if they have equipment there and if location is legitimate.

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## Responsible Bidder

- Contracts will still be won by the lowest bidder no matter what equalization credits have their contractor sit at.
- **Law** wants to change language so that it mentions that. Law will send the language to OFCPBJ and they will determine if it is suitable for the ordinance. OFCPBJ approved the language would like it added to the new draft.
- If you have a vendor who is under performing why not remove the contract?
- **OFCPBJ** is wondering why contractors who are not adequately investing in Detroit are being hand held to get a contract versus helping a Detroit contractor and business get a contract and equalization credits through programs so they can have amazing performance.
- **OFCPBJ** is wondering what prevents OCP from picking the lowest equalized bidder.
  - **OCP** gives an example of a company who could not handle HVAC, where their performance was documented consistently for a consistent year, which they said they would do better every vendor performance year.
- **OCP's** main concern is that the ordinance does not mention that poor performing contractors will not get the contract even if they are lowest bidder.
- **OFCPBJ** is wondering if legal, and **OCP** advises being a responsible bidder means performing as well as other requirements. **OFCPBJ** advises its already added, not going to add something that is already stated in law.
- **OFCPBJ** wants to add equalization application will be subject to performance of the contractor to the ordinance.
- **OCP** is not able to give adequate information for increasing threshold, due to issues with what database could pull.
- Construction workforce Development business (C-WDB) do not have to be in a Union to get equalization credits.
- Construction workforce investment business (C-WIB) will also get equalization credits
- Construction contractor will get clearances.
- **CRIO** wants clarification on those new certifications.
  - **OFCPBJ** states corporate accountability clearance and Workplace Safety clearance must be done in order to be considered for contract. These would be verified with certificate of completion.
- **CRIO** wants to clarify if equipment should be verified at location or are we counting the actual amount of equipment.
  - **OFCPBJ** advises they need to clarify with their department as **OFCPBJ** does not know and is open to ideas.

## *Special Advisory Group I Notes*

On Wednesday, May 26, 2021, a meeting was held with Chris Jackson to discuss the Invest in Detroit procurement amendments.

### ***Office Representatives/ Meeting Attendees***

1. Jasmine Barnes, OFCPBJ
2. Stephen Grady, OFCPBJ
3. Linda Wesley, OFCPBJ
4. Chris Jackson, Queen Lillian
5. Myles Hamby, Woodward West

- 1) Investing in Detroit
  - a. More Detroiters need to be employed on city contracts
    - i. We need more jobs for Detroiters deployed
  - b. Now evaluating whether the workforce be target tiered
    - i. Now taking a magnified look at the workforce target
  - c. Contracts awarded for city work
    - i. Street repair
    - ii. Grass cutting
    - iii. Janitorial
    - iv. Construction
- 2) There are not enough Detroiters (specifically African American Detroiters) in these trades
  - a. We need unions & trades to employ Detroiters
    - i. We need to employ more African Americans
    - ii. Not the reality right now because contracting privately
    - iii. Another issue is that trade schools and programs are NOT welcoming to African Americans (particularly operation engineering)
    - iv. There is a need for more African American representation in trades such as carpentry, construction, welding, etc.
- 3) 51% of employees on city contracts should be African American Detroiters
  - a. **Queen Lillian** (co-developer of Woodward West) and his counterpart **Woodward West** (Development Manager for the Woodward West project) explain that 51% is highly unrealistic
    - i. African American Detroiters are dramatically unrepresented in the trades right now
    - ii. Construction is hard work and does not appeal to Detroiters
    - iii. Programs are not putting enough money into trades

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- b. Perhaps we should let in 50% as many apprentices instead of just focusing on the 51%
- 4) Let's go to stakeholders and ask them "what do you need? How can we help you?"
  - a. That's part of what the City Council has been trying to since the beginning of their time in office
  - b. Let's pull back the fees and not defer. We WANT a workforce and do not intend on firing unless the work goes undone
- 5) The STEP program's initiative
  - a. Recognized that there were not enough Detroiters and African Americans in trade work
  - b. The mayor called for that over the course of time, a percentage of those in apprenticeships needed to be Detroit residents
    - i. Not all of those trades signed up and the ones that did went the extra mile
  - c. The STEP program is a solution that will eventually get us to that 51%
- 6) What is the catch for trying to recruit more Detroiters into the trades?
  - a. **Woodward West** explains that there are additional costs to consider
    - i. There is extra coordination that has to happen, and it takes time/money
    - ii. Extra to manage
  - b. There has to be a willingness from the trades to want to employ Detroiters— **Woodward West** explains that he will do his best to recruit Detroiters
- 7) One of the current issues is that Detroit contractors with 58% Detroit resident employees are much more expensive
  - a. Private companies can charge whatever they feel fit
- 8) DBA does it differently
  - a. Over 80% of contractors are of minority groups
  - b. RFP, RFQ—what are the limitations for selecting the best bidder?
  - c. The best proposal is hiring the Detroit minority groups, period
- 9) Every contract the city gives out focuses on equity: giving the best equitable option
  - a. Current equalization makes these components not want to do joint ventures
    - i. Should we enhance the definition of joint ventures? For example, joint ventures JUST with Detroiters?

- ii. Hopefully we can level the playing field for businesses like Myles and Chris's

10) Not everyone wants to do this manual work

- a. Perhaps we should be familiarizing Detroit high school and Middle school students with the trades.
  - i. College is not for everyone and the trades are a great alternative to higher education
  - ii. Before going into it, they need to know that this type of work takes passion
  - iii. This type of work uses mathematical calculations and reading skills
  - iv. The working environment are not always great—there is racism on job sites from time to time
- b. Familiarizing students with the trades can increase African American representation in those fields

11) The Woodward West project has 5-6 unions on its project now!

- a. Question: How can we get other businesses to model what Queen Lillian LLC is doing?
- b. We need ideas for a hiring/recruitment process and not just for contracts.
  - i. We need a standard hiring plan, one standard report
  - ii. The report should include what the businesses need to report on
  - iii. How many interested candidates did you get compared to how many of those did you actually hire? If you turned down candidates, what was the criteria for such actions?
  - iv. What did you do over the years? Were you able to reach your target goal?

12) How do we or how should we determine what is a small project, a medium project, a large project, and a mega project

- i. One of the ways we can determine how large the projects are is by looking at their portfolios.
- ii. Council agreed that Woodward West project would be a medium project
- a. These rules (regarding equalization credit) are not necessarily per contract, they are per contractor
  - i. **OFCPBJ** wants to add stipulation on how they can do this
  - ii. Perhaps we should get feedback from contractors to determine whether they deserve the equalization credit

- iii. Businesses like MRC deserve the equalization credit because they are mostly Detroit based as they are moving from Howell to Detroit
  - iv. Contractors just renting space in Detroit do not deserve these credits, we should make it harder for them to get the equalization credit
- 13) We need to define/enhance the definition of equipment, inventory, and what it is to be a DBB
  - a. Should we have a standard for all DBB?
  - b. We do not want to give tax dollars to businesses that do not want to invest in Detroit
    - i. Every step of the way there needs to be check in points making sure businesses are doing their part
- 14) Ordinances sec. 1: Equalization credits and bids
  - a. When we get a contract, we do research before we put out for bid such that we make sure their business is a DBB
    - i. We prioritize reaching out to Detroiters
  - b. Equalization credit went from 18% to 6%
    - i. We do not want to give too much credit for things that needed to be done anyways
    - ii. 12% cap on credit
  - c. There is 30-60 days from winning a bid and giving notice to proceed
    - i. Contractor has to get 51% before those days are up
  - d. We NEED to enhance the definition of Joint Mentor venture
- 15) Section 2 of ordinances:
  - a. Hiring plan
    - i. What do we want on the contract?
    - ii. What is the current state of hiring?
    - iii. Graduated scale timeline
    - iv. Timeline of how they expect to fill the positions with Detroiters
    - v. In six months, how do you plan to increase your percentage of Detroit employees

*On Monday, June 14, 2021, an additional meeting was held with Chris Jackson to discuss the Invest in Detroit procurement amendments.*

- Absence of Detroiters on the construction project

- **Queen Lillian** response: seeks to accomplish employment of Detroiters and underrepresented members of the skilled trade population in Detroit and believe the Detroit Resident Hiring Initiative is a good plan.
- Track the employees who are Detroit residents and those who are not
- Each department submit workforce members with their budget
- Template to track with consistency to be taken up with CRIO
- Gain clarity on when a Detroiters who moves away is no longer considered a member of Detroit.

## *Special Advisory Group II Notes*

On Wednesday, June 23, 2021 the Skilled Trades Unions were invited to participate in the working group to allow them the space to engage with my team and to get a better understanding of the proposed legislation. As a result, the following ideas were presented:

### ***Office Representatives/ Meeting Attendees***

1. Council President Brenda Jones
  2. Stephen Grady, OFCPBJ
  3. Linda Wesley, OFCPBJ
  4. Jasmine Barnes, OFCPBJ
  5. IBEW Local 58
  6. Sheet Metal Workers - Local 80
  7. Roofers and Waterproofers – Local 149
  8. Laborers – Local 1191
  9. Plasterers – Local 514
  10. Brick Layers
  11. Iron Workers
  12. Mechanical Contractors Association of Detroit
- Incorporation of the Davis-Bacon Act as it relates to federally funded contracts;
  - All contractors must have signed hiring plans and enrolled into the Detroit Resident Hiring initiative.
  - All recruitment reports and fine evaluations must be posted on the website.

# Contractor Outreach and Engagement

The Office of Council President Brenda Jones wanted to engage and inform departments and the contractors on the proposed changes to the contracting process. To achieve this, there were to be a series of four meetings for professional services contractors to discuss the Invest in Detroit Procurement amendments.

On Monday, June 14, 2021 an email was sent to the Administration notifying them of the request and asking them to share the information with all suppliers and impacted departments. The goal of the meetings was to allow for businesses and departments to weigh in on the legislation prior to drafting to ensure they were not left out of the development process.

The first set of meetings were to take place on Thursday, June 17<sup>th</sup>, however, on that day the Administration requested that the meetings be cancelled due to concerns surrounding open bids.

In lieu of the meetings, the Office of Council President Brenda Jones requested a compiled list of all vendors with the City of Detroit so that the information regarding the Invest in Detroit Procurement amendments and the Detroit Resident Hiring Plan could be shared with the contractors.

On Monday, July 5, 2021, a follow-up e-mail was sent to the Administration requesting the vendor list to continue with their outreach efforts. The Administration provided the compiled list of all City of Detroit vendors on Tuesday, July, 6 2021.

On that same day, the Office of Council President Brenda Jones sent an e-mail to all vendors providing them with the Detroit Residing Hiring Initiative and giving them the space to ask questions and/or set up meetings with the office to discuss in detail. Responses were received from the following entities that were followed up with via email, phone or zoom:

- **DMC Group/DMC Consultants, Inc.** indicated via email that they were having trouble finding a front desk assistant. They mentioned that they were working with Detroit Workforce and had no luck, yet. They also stated that they have several positions open

but it was difficult to find a qualified candidate and noted they might have to hire a non-Detroit resident.

- **OFCPBJ** provided their information to set up a phone call to discuss in detail
- **H2bid, Inc.**
  - **H2bid, Inc.** indicated via email that the language was too broad and that they were contracted for software (i.e., a cloud-based platform) and they did not have any employees in Michigan.
  - **OFCPBJ** stated that this only applied to services that could be performed within the City. Software services would not be included.
- **Bob Maxey Ford** indicated via email that they were having difficulties hiring people for positions at their dealerships.
  - **OFCPBJ** provided their information to set up a phone call to discuss in detail.
- **Accurate Networks, LLC** indicated via email confirming that existing contracts would not be subject to the Detroit Resident Hiring Plan. Additionally, they requested a meeting to discuss the Detroit Resident Hiring Plan in depth and to learn how it would be implemented. **OFCPBJ** met with the vendor on Monday, July 12<sup>th</sup>.

#### ***Office Representatives/ Meeting Attendees***

1. Jasmine Barnes, OFCPBJ
2. Joy Pitman, Accurate Networks

**Accurate Networks** explains that Accurate Networks provides security and video surveillance through the Genetec Unified Security Platform for the city. They run cable, install devices, install servers, program all of the equipment, and provide assistance for customers who have issues have with the system.

**OFCPBJ** asks if that is a specialized service and what specific training Detroiters would need. **Accurate Networks** answers Detroiters need low voltage experience to be an installer. **Accurate Networks** adds that they would not need the same level of certification as an electrician. In order to work on the Genetec system Detroiters would need to be certified, however, they are not actively hiring for that role.

**Accurate Networks** says there are currently 7 people in the company: 3 office staff, 1 sales, 2 technicians and the owner and Chief Technical Officer Jeremy Pitman. Jeremy Pitman is essential to their business. Joy and Jeremy Pitman are married.

**Accurate Networks** answers that the average timeframe of contracts is 3-5 years. **Accurate Networks** mentions a smaller contract of 3 years for 15,000 contract with the City. Accurate Networks has previously won an option for the Genetec Master contract with the city. **Accurate**



**Networks** responds that the Genetec Contract makes it difficult to give the average dollar amount of their contracts. They had to bid for the contracts and are now on the short list of companies the city goes to for bids for projects. So **Accurate Networks** doesn't know the dollar amount for that specific contract.

**Accurate Networks** responds that their bidding process is not through a supply schedule. However, **Accurate Networks** does know that the city is updating police precincts and fire departments' security and they won half of the projects. **Accurate Networks** explains that they won about half of the projects, totaling about \$300,000 for 15 of the police precincts and fire departments.

**OFCPBJ** asks if that large of a contract is normal.

**Accurate Networks** mentions that they have worked with Centerline Electric at GM headquarters. But that the \$300,000 contract is larger than normal for their city contracts. Normally, they get 1Z and 2Z spheres.

**OFCPBJ** asks if they are looking to hire Detroiters to meet the supply for the work. **Accurate Networks** says they are located in western Michigan in the Grand Rapids area. Commuting to Detroit worksites is not efficient. They need some local employees in southeastern Michigan for daily tasks.

**OFCPBJ** talks about the threshold amount of Detroit Resident Hiring Initiative and asks "Do you have difficulties recruiting Detroiters? And if so, what are those difficulties?"

**Accurate Networks** explains they started out 2 employees, herself and her husband Jeremy Pitman. After their son graduated he also start working at the company. They only added extra staff in the last year. 3 of the 7 employees were added in last year. So, there is no experience recruiting Detroiters.

**Accurate Networks** wants to know more about outreach and the process. That's why she is interested in this program.

**OFCPBJ** explains the timeline from bid to outreach for a city contract under the Detroit Resident Hiring Initiative **OFCPBJ** mentions that the last day for feedback from the public and contractors is July 16<sup>th</sup>, if this ordinance is approved by the council it will take immediate effect. **OFCPBJ** says she can connect **Accurate Networks** with Dana Williams from DESC to help find Detroiters right now

**Accurate Networks** says she'd like to start small with their recruitment. Jasmine gives Joy Pitman Dana Williams' office phone number and email.

**Accurate Networks** asks "With us being a small company, and I don't know what kind of ding you're going to get, is there some kind of allowance for the fact that you're looking, you're talking

to people? Um, because we're looking for something specific. If we can't find someone with the qualifications is there an allowance so that we're not getting dinged if we're making an attempt to find someone?"

**OFCBJ** explains fines and exemptions, what constitutes a "qualified Detroiters", and that active searching will not be penalized.

**Accurate Networks** says they've been planning for a few months to hire Detroiters. Jasmine notes that Accurate Networks falls under professional services/construction and would have to meet a 30% threshold Detroit Resident Workforce requirement.

**OFCBJ** talks about hiring apprentice as an exemption as opposed to just employees.

**Accurate Networks** confirms they work outside the city as well.

**OFCBJ** asks if it's possible to hire Detroiters to do Detroit work and shift non-Detroiters to other projects.

**Accurate Networks** talks about their other customers TCF center and GM headquarters and says they are a small enough company that they would benefit from hiring Detroiters as they expand due to their current work within the city. But, they may need Detroiters to work outside the city as well. **Accurate Networks** thinks there is not enough work outside the city to shift non-Detroiters to other jobs.

# Social and Digital Media Outreach

The #InvestinDetroit amendments were designed to close gaps in contract bidding, while stimulating jobs and hiring opportunities throughout the procurement process.

These legacy amendments have been drafted for sustainability to outlast any Administration or City Council. They will ensure that there are laws in place that create and protect equity within our contracting process for the long term.

To ensure residents and businesses were engaged with the #InvestinDetroit amendments we used social media (Facebook and Instagram) and Gov. delivery to reach residents and to continue the conversation. Please see our digital outreach and social media posting days of engagement:

## Digital and Social Media Outreach

1. Tuesday, April 27, 2021
2. Wednesday, April 28, 2021
3. Tuesday, May 4, 2021
4. Thursday, May 6, 2021
5. Wednesday, May 12, 2021
6. Monday, May 17, 2021
7. Thursday, June 3, 2021
8. Tuesday, June 8, 2021
9. Monday, June 14, 2021
10. Thursday, July 8, 2021
11. Monday, July 12, 2021
12. Wednesday, July 14, 2021
13. Thursday, July 15, 2021

City of Detroit resident shared their thoughts on the proposed legislation. Please see below on what they had to say:

## Instagram Comments

- A Detroit resident said, "Long overdue. This is common sense."

## Facebook Comments

- "Please! Name one program or company that did this in Detroit? They ALWAYS tell that LIE about how Detroiters they will hire and train for great jobs. It never happened..there

is always some sideways reason as to why they couldn't hire Detroiters...I have been hearing this from our city for over 60 plus years.."

- "The Mayor and council are responsible for the money leaving. Seems cork town is getting money. We have a Irish mayor a formerly retired Irish Woman making sure cork town is taken care of. The Latino woman looking out for southwest, the black people got nobody looking out for them. Eyes wide open. Just something to think about.
- "I wish my tax dollars would down the 2 houses I live between, and put speed bumps on Lillibridge the new St. Jean."
- "Until the culture of the people in Detroit changes nothing will. Tax incentives would help businesses come but then there is the talent shortage. Detroiters need to value education more if they want to make 50k plus a year or attract good paying jobs. Also there is crime, some businesses don't want to locate here because of the perception/reality of senseless crime."
- "I believe if more residents work in the city, they live in, it would strengthen the community."
- "Yes, 50% of a company's workforce should be Detroit residents."
- "This is the first year I saw black crew working construction. The arena was supposed to Hire Detroiters. 90% of the businesses in Detroit is non Detroiters. The medical marijuana businesses 95% non-black super market, liquor store and gas station.99% non-black . People our money leaving the city. Eyes wide open Just something to think about