

The Office of Detroit City Council President  
Brenda Jones

# Targeted Business and Employment Strategy

A Plan to Increase Detroit  
Business and Resident  
Representation on City of  
Detroit Contracts

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## OVERVIEW

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In 2016, The Office of Detroit City Council President Brenda Jones-Legislative Operations began aggressive efforts to research and evaluate policies to increase Detroit business and resident representation on City of Detroit contracts.

In collaboration with the Office of Procurement, The Civil Rights, Inclusion and Opportunity Department, the Detroit Economic Growth Corporation and the Office of Council Member Janee' Ayers, the following actions have been taken:

### Passage of the Detroit Supply Schedule Ordinance:

- Creates a streamlined contracting process to enhance efficiency and improve contract pricing with the implementation of reserved bidding for a specified time frame with a specified dollar amount to be spent on a specific service.
- Mandates outreach in each of the seven (7) City Council districts to ensure that residents are aware, informed and prepared for supply schedule opportunities.
- Set asides of at least 30% of Supply Schedules for Detroit-based and Detroit-Headquartered businesses. (*Note: The Office of Procurement plans to exceed this set aside*).

### Creation of the Small Business Empowerment Fairs

- Provide residents with access to the following:
  - Start-Up Business Support
  - Procurement Resources
  - CRIO Resources

### Implementation of a Standard Contract View Process

- Weekly review of employment statistics and Detroit resident hiring practices for contracts submitted to the legislative body for approval.
- Weekly review of equalization credits applied to contracts.
- Creating and integrating a SmartSheet link to collect and organize employment and residency data to improve the efficiency the Office of Procurement's data collection process to prevent barriers in contract approval by limiting the time contracts are held due to outstanding contract review questions.

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POLICY EVALUTION

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Through the implementation of the aforementioned policy review and outreach actions the following has been discovered:

- There is no City-wide contract evaluation to determine how employment and business outreach, training and preparation should be directed.
- There is not adequate staff and resources allocated towards a consistent, stable and long lasting plan for ensuring Detroiters are highest priority and are trained, prepared and equipped to be the biggest benefactors of City of Detroit contracts.
- There is a lack of collaboration between the Office of Procurement and the Office of Workforce Development to match qualified Detroiters with residents.
- There is a lack of focus by the Office of Workforce Development and the Detroit Employment Solutions on preparing Detroit residents for opportunities on City of Detroit contracts.
- Detroit contractors are not held accountable for hiring Detroiters nor required to take action to increase Detroit resident employment numbers despite the utilization of public dollars to fund services.
- Many businesses that wish to do business with the City of Detroit lack access to capital.
- The Detroit Based Business equalization credit is overvalued in some instances due to the lack of equipment housed within city limits and location of the business. (*Some businesses are utilizing Uhaul mailboxes and residential properties as addresses to benefit from DBB equalization credits*).
- The Detroit Resident equalization credit is not valued based on impact.
- Joint-Ventures are underutilized and there is no plan in place to match qualified small businesses with macro businesses to ensure partnerships on City of Detroit contracts that support small Detroit businesses.

# Targeted Business and Employment Strategy

- The Housing and Revitalization Department develop a program to set aside at least twenty-five percent (25%) of awarded Motor City Match dollars for investment into businesses that can perform City of Detroit contractual services to ensure Detroit business have access to capital;
- The Office of the Chief Financial Officer work with the Office of Procurement to complete a City-wide contractual assessment of:
  - The number of Detroiters employed by each contractor and evaluation of what services lack Detroit-resident employment in order to gather facts to implement a targeted business employment plan;
  - The number of Detroit-Based and Detroit-Headquartered businesses within the City of Detroit and an evaluation of what services lack Detroit business representation in order to gather facts to implement a targeted business outreach plan;
- The Office of the Chief Financial Officer work with the Office of Procurement, the Civil, Rights, Inclusion and Opportunity Department, and the Office of Workforce Development to develop a program and strategy geared towards:
  - Tracking and monitoring the number of Detroit residents employed on City of Detroit Contracts;
  - Determining training and employment needs to prepare residents for employment on City of Detroit Contracts;
  - Planning and hosting hiring fairs with City of Detroit contractors that have less than 51% Detroit residents employed on their contracts;
- Development of enhanced bid Notification policies including but not limited to text and other forms of digital communication to ensure maximum notification efforts for Detroit businesses;

- Implementation of bonding policies that eliminate insurances requirement barriers for small businesses;
- Implementation of outstanding tax policies that eliminate barriers for small businesses relative to outstanding tax bills;
- Mandatory two-year site visits to verify residency, employment and equipment in order to maintain Detroit Opportunity Certifications;
- Mandatory yearly renewal of Detroit Opportunity Certifications;
- An increase in equalization credits for Detroit Resident Businesses Certifications;
- Implementation of multi-contracting procurement methods to enhance and increase joint-venture contracts;
- Amendment of the DBB definition to include:
  - A definition for "adequate employees" to consist of at least 30% of employees employed by the business to be Detroit-residents
  - A definition to "adequate physical resources" to consist of at least 30% of equipment utilized by the contractor to be stationed at a Detroit location.