

SUMMARY

This ordinance amends Chapter 17 of the 2019 Detroit City Code, *Finance*, Article V, *Purchasing and Supplies*, by amending Division 1, *Goods and Services*, Subdivision A, *Generally*, by amending Section 17-5-1, *Definitions*, to provide additional definitions for the Division, by amending and renaming Subdivision B, *Purchasing of City Goods and Services* to *Purchasing of City Goods and Services and Target Workforce Requirements, Development Data, Outreach and Recruitment*, and by dividing the subdivision into Part 1, *Purchasing of City Goods and Services*, to include an amended Section 17-5-11, *Manner of purchasing*, to provide for additional requirements prior to initiating the bidding process, an amended Section 17-5-12, *Solicitation of bids, comparison of equalization credits in bids, and application of equalization credits for bids, for major purchases; limited; exceptions*, to include documentation to be made available, prohibitions against unapproved assignments or subcontractors; required clearances for major purchases; required clearances for construction projects; prohibitions related to construction workforce development and investment businesses, an amended Section 17-5-13, *Solicitation of bids, comparison of equalization credits in bids, and application of equalization credits for bids, for non-major purchases; exceptions*, to include required clearances; required clearances for construction projects; prohibitions related to construction workforce development and investment businesses; by adding Part 2, *Target Workforce Requirements, Target Reporting Data, and Outreach and Recruitment*, to include Section 17-5-31, *Target workforce requirement for non-professional service contracts; verification; Detroit-resident hiring plan; evaluation; compliance status reported on resolutions; exemptions; effective date*, Section 17-5-32, *Target workforce requirement for construction contracts; verification; Detroit-resident hiring plan; evaluations; compliance status reported on resolutions; exemptions; effective date*, Section 17-5-33, *Human Rights Department to provide notification of hiring; Detroit-resident hiring plans*, Section 17-5-34, *Outreach efforts*, Section 17-5-35, *Policy requiring the submission of a procurement outreach report to City Council*, Section 17-5-36, *Policy requiring the collection of target reporting data; maintenance; term of contract; submission to City Council*, and Section 17-5-37, *Information to be provided to City Council within 21 days of submission of the request*, and to amend Subdivision C, *Detroit Supply Schedule*, by amending Section 17-5-53, *Directed by Chief Financial Officer; managed by Chief Procurement Officer*, to require that the Chief Procurement Officer prepare a report every five years beginning in 2024, by amending Section 17-5-57, *Request for quotations*, to include that a construction workforce development business or a construction workforce investment business may not assign or subcontract without approval, by repealing Section 17-5-58, *Outreach efforts*, and by restating and renumbering Section 17-5-59, *Authorization for use by other government units*, by amending Division 2, *Professional Services Contracts*, by amending Division 2, *Professional Services Contracts*, by adding Subdivision A, *Generally*, to include an amended Section 17-5-152, *Procurement of professional contractual services*, and an amended Section 17-5-153, *Procedure for procurement of professional services*, and by adding Subdivision B, *Target Workforce Requirements*, by adding

Section 17-5-158, *Target workforce requirement for professional services contracts; verification; Detroit-resident hiring plan; evaluations; exemptions; effective date*, Section 17-5-159, *Target workforce requirements for legal services contracts*, and Section 17-5-160, *Human Rights Department to provide notification of hiring; Detroit-resident hiring plans*.

BY COUNCIL MEMBER _____:

AN ORDINANCE to amend Chapter 17 of the 2019 Detroit City Code, *Finance*, Article V, *Purchasing and Supplies*, by amending Division 1, *Goods and Services*, Subdivision A, *Generally*, by amending Section 17-5-1, *Definitions*, to provide additional definitions for the Division, by amending and renaming Subdivision B, *Purchasing of City Goods and Services* to *Purchasing of City Goods and Services and Target Workforce Requirements, Development Data, Outreach and Recruitment*, and by dividing the subdivision into Part 1, *Purchasing of City Goods and Services*, to include an amended Section 17-5-11, *Manner of purchasing*, to provide for additional requirements prior to initiating the bidding process, an amended Section 17-5-12, *Solicitation of bids, comparison of equalization credits in bids, and application of equalization credits for bids, for major purchases; limited; exceptions*, to include documentation to be made available, prohibitions against unapproved assignments or subcontractors; required clearances for major purchases; required clearances for construction projects; prohibitions related to construction workforce development and investment businesses, an amended Section 17-5-13, *Solicitation of bids, comparison of equalization credits in bids, and application of equalization credits for bids, for non-major purchases; exceptions*, to include required clearances; required clearances for construction projects; prohibitions related to construction workforce development and investment businesses; by adding Part 2, *Target Workforce Requirements, Target Reporting Data, and Outreach and Recruitment*, to include Section 17-5-31, *Target workforce requirement*

for non-professional service contracts; verification; Detroit-resident hiring plan; evaluation; compliance status reported on resolutions; exemptions; effective date, Section 17-5-32, Target workforce requirement for construction contracts; verification; Detroit-resident hiring plan; evaluations; compliance status reported on resolutions; exemptions; effective date, Section 17-5-33, Human Rights Department to provide notification of hiring; Detroit-resident hiring plans, Section 17-5-34, Outreach efforts, Section 17-5-35, Policy requiring the submission of a procurement outreach report to City Council, Section 17-5-36, Policy requiring the collection of target reporting data; maintenance; term of contract; submission to City Council, and Section 17-5-37, Information to be provided to City Council within 21 days of submission of the request, and to amend Subdivision C, Detroit Supply Schedule, by amending Section 17-5-53, Directed by Chief Financial Officer; managed by Chief Procurement Officer, to require that the Chief Procurement Officer prepare a report every five years beginning in 2024, by amending Section 17-5-57, Request for quotations, to include that a construction workforce development business or a construction workforce investment business may not assign or subcontract without approval, by repealing Section 17-5-58, Outreach efforts, and by restating and renumbering Section 17-5-59, Authorization for use by other government units, by amending Division 2, Professional Services Contracts, by amending Division 2, Professional Services Contracts, by adding Subdivision A, Generally, to include an amended Section 17-5-152, Procurement of professional contractual services, and an amended Section 17-5-153, Procedure for procurement of professional services, and by adding Subdivision B, Target Workforce Requirements, by adding Section 17-5-158, Target workforce requirement for professional services contracts; verification; Detroit-resident hiring plan; evaluations; exemptions; effective date, Section 17-5-159, Target

workforce requirements for legal services contracts, and Section 17-5-160, Human Rights Department to provide notification of hiring; Detroit-resident hiring plans.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT:

Section 1. Chapter 17 of the 2019 Detroit City Code, *Finance*, Article V, *Purchasing and Supplies*, be amended by amending Section 17-5-1, Sections 17-5-11 through 17-5-13, by adding Sections 17-5-31 through 17-5-37, by amending Section 17-5-53, Sections 17-5-57 through 17-5-58, Sections 17-5-152 through 17-5-153 and by adding Sections 17-5-158 through 17-5-160, to read as follows:

CHAPTER 17. FINANCE

ARTICLE V. PURCHASING AND SUPPLIES

DIVISION 1. GOODS AND SERVICES

SUBDIVISION A. GENERALLY

Sec. 17-5-1. Definitions.

For the purpose of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Alternative paper means paper with environmental qualities that meet or exceed United States Environmental Protection Agency standards.

Biodegradable means capable of being broken down, especially into innocuous products, by the action of living things such as microorganisms.

Certification means the designation given to a firm using standard review procedures where determined by the Human Rights Department that the firm applying for such designation

meets or exceeds certain specified requirements for that category of business as determined by this article.

Certification process means the standard review process used to confer upon a firm the designation of certification as defined in this section.

City site means a location within the corporate limits of the City or property owned by the City that is outside the corporate limits of the City.

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

Construction contract means any City contract that provides for the construction, erection, reconstruction, alteration, conversion, demolition, repair, moving, or equipping of buildings or structures.

Construction workforce development business (C-WDB) means a construction contractor, that participates in a Registered Apprenticeship Program, and is registered with the United States Department of Labor Office of Apprenticeship, or by any State Apprenticeship Agency recognized by the Office of Apprenticeship, such registration shall be verified by:

- (1) Providing a Certificate of Registration of Apprenticeship Program from the Office of Apprenticeship with the United States Department of Labor for a federally certified program or
- (2) Providing a Certificate of Apprenticeship from the State Department of Labor and Economic Opportunity for a state certified program.

Construction workforce investment business (C-WIB) means a construction contractor, that provides health insurance and retirement benefits to the employees working on the proposed construction contract, such benefits may be verified by submission of:

- (1) A copy of the relevant sections of a collective bargaining agreement;
- (2) A copy of the plan documents for a pension;
- (3) A copy of the insurance contracts for health insurance; or
- (4) Any other documentation deemed appropriate by the Office of Contracting and Procurement.

Corporate accountability clearance means an administrative clearance obtained by the Office of Contracting and Procurement which verifies a construction contractor's compliance with the following requirements:

- (1) The contractor and its employees have the required licenses, registrations and certificates required to perform the work;
- (2) The contractor has not had any licenses, registrations, or certificates required for the performance of the contract revoked in the past five years; and
- (3) The contractor has not been disbarred or suspended by any federal, state or local governmental agency or authority in the past three years.

Cooperative purchases means purchases made through a cooperative purchases resource.

Cooperative purchases resource means an arrangement through which purchases may be made of goods or services that are available under open contracts issued to local, state, or federal governmental entities acting on a cooperative basis, including, but not limited to, those designated as Michigan Delivering Extended Agreements Locally (MiDEAL), American

communities, and other similar arrangements among governmental entities that are identified by the Purchasing Director and posted on the City's website.

Detroit-based business (D-BB) means a business that furnishes goods, performs services or both, from a location within the City limits, that pays City of Detroit Income Tax and City of Detroit Property Tax, if applicable, and has paid such taxes for at least one year immediately preceding the date of the application for certification to be a Detroit-Based Business, and which shall comply with the following requirements:

- (1) Provide verification that the applicant has the physical resources, and the ability to provide service from, the City location subject to the certification;
- (2) Provide verification that the business has or can procure an adequate number of employees at the City location subject to certification, to provide the services identified in the application; and
- (3) Disclose the number of Detroit Resident Employees located at the City location subject to certification.

Detroit-based micro business concern (D-BMBC) means a business which meets the definitions of Detroit-based business and micro business concern as defined within this section.

Detroit-based small business (D-BSB) means any business which meets the definitions of Detroit-based business and small business concern as defined within this section.

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 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~~ Employs a minimum of four employees at least 30 percent of which are Detroit residents, what shall be verified by the submission of:

a. The names and addresses of the Detroit residents used to qualify for the certification;

b. A copy of a current Michigan driver's license, identification card, or municipal identification card, permanent resident card, United States passport, military identification card, Native American tribal document, or any other form of identification deemed appropriate by the Human Rights Department, for each Detroit resident on the business entity's payroll used to qualify for the certification; and

c. An affidavit signed by the Detroit-headquartered businesses' Chief Executive Officer or authorized designee, confirming that all Detroit resident employees have authorized the submission of their personal identification for the purposes of employment verification.

(3) Has ~~received a certification as a Detroit-headquartered business.~~ ownership of a location capable of storing the equipment or inventory necessary to perform the work, which shall be verified by property deed and proof of the entity's most recent property tax payment; and

(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.

Detroit-resident business (D-RB) means any business which employs a minimum of four employees at least 51 percent of which are City residents - which shall be verified by the submission of:

- (1) The names and addresses of the Detroit residents used to qualify for the certification;
- (2) A copy of a current Michigan driver's license, identification card, or municipal identification card for the Detroit residents used to qualify for certification, permanent resident card, United States passport, military identification card, Native American tribal document, or any other form of identification deemed appropriate by the Human Right Department, for each Detroit resident on the business entity's payroll used to qualify for the certification; and
- (3) An affidavit signed by the Detroit-resident businesses' Chief Executive Officer or authorized designee, confirming that all Detroit resident employees have authorized the submission of their personal identification for the purposes of employment verification.

Employee Income Clearance means an administrative clearance obtained by the City of Detroit Treasury which verifies the submission of all employee information necessary for the collection of City of Detroit income taxes from all employees of the contractor employed on the contract.

Energy Star® compliant products mean products that meet or exceed the United States Environmental Protection Agency's Energy Star® criteria for energy efficiency.

Environmentally-preferable means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose and such comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.

Fiscal year means the fiscal year of the City being July 1st through June 30th.

High impact construction contract means a construction contract having a value of \$250,000 dollars or more.

Industrial oil means any compressor, turbine or bearing oil, hydraulic oil, metal-working oil or refrigeration oil.

Invitation for bids means the complete assembly of related bid documents, including those attached or incorporated by reference, which are furnished to prospective bidders for the purpose of bidding.

Joint venture means a joint venture of separate firms, one of which is a D-HB, DBB, DBSB, DRB or DBMBC, which has been created to perform a specific contract, and is evidenced by a written agreement which provides at a minimum that the D-HB, DBB, DBSB, DRB, or DBMBC:

- (1) Is substantially included in all phases of the contract, including, but not limited to, bidding and staffing;
- (2) Provides at least 51 percent of the total performance, responsibility, and project management of a specific job;
- (3) Receives at least 51 percent of the total remuneration from a specific contract; and

- (4) Shares in profits and losses.

Life-cycle analysis means the comprehensive examination of a product's environmental and economic aspects and potential impacts throughout its lifetime, including raw material extraction, transportation, manufacturing, use, and disposal.

Lowest responsible bidder means the bidder who, or which, submits the lowest bid, conforming to specifications, as evaluated under [Section 17-5-12\(b\)](#) of this Code, and who or which, meets the following standards as they relate to the particular contract under consideration.

The prospective contractor must demonstrate:

- (1) Adequate financial resources for the performance of the contract, or the ability to obtain such resources as required during performance;
- (2) The necessary experience, organizational structure and resources, technical qualifications skills and facilities, or the ability to obtain them, including the ability to retain subcontractors as required;
- (3) The ability to comply with the proposed or required time of delivery or performance schedule;
- (4) A satisfactory record of integrity, judgment and performance. Contractors who, or which, are delinquent in current contract performance, considering the number of contracts and the extent of delinquencies of each, shall be presumed to be unable to fulfill this requirement in the absence of evidence to the contrary or compelling circumstances;
- (5) The ability to conform to the requirements of the fair employment practices ordinances;

- (6) Qualification and eligibility to receive an award under applicable laws ordinances and regulations; and
- (7) The ability to produce, upon request acceptable evidence of ability to obtain financial resources and the experience, organizational structure and resources, technical qualifications, skills and facilities needed for the proper performance of the contract sought.

Lubricating oil means any oil intended for use in an internal combustion crankcase, transmission, gearbox or differential, or in an automobile, bus, truck, vessel, plane, train, heavy equipment or machinery powered by an internal combustion engine.

Major means not less than the specified dollar valuation of a contract in relation to the corresponding contract classification as follows:

Major Contracts

Type of Contract	Dollar Valuation
Purchase contracts:	
Equipment and supplies	\$270,000.00
Public works contracts:	
Demolition	\$678,000.00
Street paving	\$1,350,000.00

Construction	\$2,700,000.00
Nonprofessional services:	
Including but not limited to, tree removal, catering, janitorial, maintenance	\$678,000.00
Disposition of equipment and supplies unsuitable for public use	\$25,000.00

Mentor venture means a joint venture of separate firms, one of which is a D-BB, D-BSB, D-RB or D-BMBC, which has been created to perform a specific contract, and is evidenced by a written agreement which provides at a minimum that the D-BB, D-BSB, D-RB or D-BMBC:

- (1) Is substantially included in all phases of the contract, including, but not limited to bidding and staffing;
- (2) Provides at least 30 percent of the total performance, responsibility and project management of a specific job;
- (3) Receives at least 30 percent of the total remuneration from a specific contract; and
- (4) Shares in profits and losses.

Micro business concern (MBC) means a business which has average annual gross receipts of \$1,000,000.00 or less and no more than 15 employees. A business which is an affiliate or subsidiary of an entity that is not eligible for registration as a micro business concern shall not be registered as a micro business concern.

Non-professional service contract means any City contract that provides a service which does not require a specialized certification, license, or degree.

Post-consumer waste means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item, but does not mean manufacturing waste.

Price-premium payback period means the number of years that it takes for the savings in operating costs to offset any additional up-front price of the product versus a lower price, less energy efficient model, which is calculated by dividing the price premium by the annual savings in operating costs.

Procurement outreach means digital or in person meetings conducted for purposes of increasing Detroit resident and Detroit business awareness of City of Detroit contract opportunities.

Readily biodegradable means the measurement guidelines according to the Organization for Economic Cooperation and Development.

Reblended latex paint means paint, which is also known as consolidated latex paint, that contains 100 percent post-consumer content from good-quality surplus with no virgin materials such as resins and colorants added.

Recycled latex paint, or reprocessed latex paint, means latex paint with a post-consumer recycled content level that a minimum meets the requirements specified by the United States Environmental Protection Agency's Recovered Materials Advisory Notice for reprocessed latex paint.

Recycled materials means materials that would otherwise be a useless, unwanted, or discarded material, except for the fact that the materials retain useful physical or chemical properties after serving a specific purpose and, therefore, can be reused or recycled.

Recycled oil means used oil that has been prepared for reuse as a petroleum product by refining, reclaiming, reprocessing or other means, provided, that the preparation or use is operationally safe, environmentally sound, and complies with federal, state, and local laws and regulations.

Recycled content paper means a paper product with no less than:

- (1) Fifty percent of its fiber weight consisting of secondary waste materials; or
- (2) Thirty percent of its fiber weight consisting of post-consumer waste.

Retirement benefits means a monthly payment to employees to allow them to subsist without working which includes a pension, Individual Retirement Arrangement (IRA), a 401k plan, or an Employee Stock Ownership Plan (ESOP).

Retreaded tires means tires that use an existing casing for the purpose of vulcanizing new tread to such casing and that meet all performance and quality standards in the Federal Motor Vehicle Safety Standards determined by the United States Department of Transportation.

Secondary waste materials means fragments of products or finished products of a manufacturing process that has converted a virgin resource into a commodity of real economic value, including post-consumer waste, but does not mean excess virgin resources of the manufacturing process, including fibrous waste generated during the manufacturing process such as fibers recovered from waste water or trimmings of paper-machine rolls, mill broke, wood slabs, chips, sawdust, or other wood residue from a manufacturing process.

Small business concern (SBC) means a business which:

- (1) Has been in existence and operating for at least one year prior to the date of application for certification as a small business concern;

- (2) Does not meet the definition of a micro business concern as defined in this division; and
- (3) Is one of the following:
 - a. A manufacturing business which, for the three fiscal years preceding the date of application for certification, has provided full-time employment to not more than 500 persons; or
 - b. A general construction business which, for the three fiscal years preceding the date of application for certification, has average annual gross receipts of not more than \$28,000,000.00; or
 - c. A specialty construction business whose average annual gross receipts have not exceeded \$12,000,000.00 in the three fiscal years preceding the date of application for certification; or
 - d. A wholesale business which, for the three fiscal year preceding the date of application for certification, has provided full-time employment to not more than 100 persons; or
 - e. A retail business which, for the three fiscal years preceding the date of application for certification, has average annual gross receipts of not more than \$6,000,000.00; or
 - f. A service business, other than professional, which for the three fiscal years preceding the date of application for certification, has average annual gross receipts of not more than \$6,000,000.00; or

- g. A professional services business, which for the three fiscal years preceding the date of application for certification, has had average annual gross receipts of not more than \$6,000,000.00.

A business which is an affiliate or subsidiary of an entity that is not eligible for certification as a small business concern shall not be certified as a small business concern.

Target reporting data means data collected by the Purchasing Director on City contracts to perform a service in the City of Detroit, which includes, but is not limited to the following:

- (1) The number of Detroit residents assigned to work on the contract awarded; and
- (2) The number of non-Detroit residents assigned to work on the contract awarded.

Used oil means a petroleum-based or synthetic oil, which through use, storage or handling has become unsuitable for its original purpose due to the presence of physical or chemical impurities or loss of original properties.

Virgin oil means oil that has been refined and formulated from crude oil, synthetic oil, or any blend of synthetic oil, and that has not been used or contaminated with physical or chemical impurities.

Volatile organic compounds means organic compounds characterized by a tendency to readily evaporate into the air, contributing to both indoor and outdoor air pollution and the creation of photochemical smog.

Workforce Compliant means a contractor that meets the threshold workforce target requirements and demonstrates compliance with requirements of the Detroit resident hiring plan.

Workforce Non-Compliant Contractor means a contractor that is enrolled in a Detroit-resident hiring plan with the Human Rights Department that fails to meet the threshold

workforce target requirements or adhere to the required provisions of the Detroit resident hiring plan.

Workforce safety clearance means an administrative clearance provided by the Office of Contracting and Procurement, which verifies a construction contractor's compliance with the following requirements:

(1) All employees handling or interacting with hazardous materials have been appropriately trained, which shall be verified by:

a. Providing a certificate of completion in hazardous materials awareness training; or

b. Providing any other documentation from the training entity that verifies participation and completion in the requisite awareness training program compliant with state and federal guidelines.

(2) All employees providing craft labor have at a minimum completed the OSHA 10-hour construction training course for safety established by the U.S. Department of Labor, Occupational Safety and Health Administration.

**SUBDIVISION B. PURCHASING OF CITY GOODS AND SERVICES AND TARGET
WORKFORCE REQUIREMENTS, DEVELOPMENT DATA, OUTREACH AND
RECRUITMENT**

PART 1. PURCHASING OF CITY GOODS AND SERVICES

Sec. 17-5-11. Manner of purchasing.

(a) Unless otherwise provided for in this article or by state or federal law, all goods and services that are purchased by the City, and its departments and agencies, shall be made in accordance with this article.

(b) Prior to initiating the bidding process for any contract subject to the requirements of Section 17-5-12 of this Code, the Purchasing Director, or their designee shall be responsible for:

(1) Attempting to contact businesses located in the City capable of performing the required services by email, telephone, social media and procurement outreach.

(2) Providing all businesses that are contacted under Subsection (b)(1) of this section with the following:

a. Information on upcoming bid opportunities;

b. Information on how to become a City vendor;

c. A referral to the Human Rights Department for information on how to access Detroit Opportunity Equalization credits;

d. A referral to the Detroit Economic Growth Corporation for business development; and

e. A referral to the Detroit Economic Solutions Corporation for workforce development support.

(c) When soliciting a bid and awarding a contract, the Purchasing Director shall award the contract to a bidder, which offers the requested goods or services at the lowest price after application of the following three-step process:

- (1) Equalization percentage credits as provided for in Sections [17-5-12](#) and [17-5-13](#) of this Code; and
- (2) The preference for environmentally-preferred goods or services as provided for in [Section 17-5-14](#) of this Code; and
- (3) The requirement that consideration be given to the price offered through a cooperative purchases resource as provided for in [Section 17-5-16](#) of this Code.

Sec. 17-5-12. Solicitation of bids, comparison of equalization credits in bids, and application of equalization credits for bids, for major purchases;—limited bidding; Documentation to be made available; Prohibitions against unapproved assignments or subcontractors; Required clearances for major purchases; Required clearances for construction projects; Prohibitions related to construction workforce development and investment businesses; Exceptions.

(a) *Solicitation of bids.* Where the purchase entails a major expenditure, the Purchasing Director shall provide for the procurement of competitive bids as follows:

- (1) Prepare the invitation for bids, describing the City's requirements clearly, accurately and completely, avoiding unnecessarily restrictive specifications which might unduly limit the number of bidders. The invitation shall include:
 - a. A notification to all bidders that the City has a preference for environmentally-preferred goods and services and will purchase them where they are price competitive, available, and substantiated according to accepted federal and commercial standards; and

- b. A notification to all bidders that prices bid will be compared to prices available to the City from applicable cooperative purchases resources.
 - c. A notification to all bidders that employment verification may be required prior to receiving a notice to proceed.
- (2) Publicize the invitation for bids by advertising for bids one or more times both in the newspaper designated to print the official business of the City and in a centralized location on the City's official website. Where appropriate, the Purchasing Director shall include advertisements in newspapers, trade journals, association postings, websites, and any other appropriate media sources. In addition, the Purchasing Director may send copies of such advertisement to persons and firms likely to be interested therein. Such advertisement shall accurately and clearly describe or refer to the subject matter of the proposed purchase and may also refer the bidder to specifications on file in the Office of Contracting and Procurement. Such advertisement shall specify the time and place of submitting bids and such other information from the specifications as the Purchasing Director shall deem advisable in the interest of the City. After publication of one advertisement, specifications shall not be changed without the publication of a new advertisement calling attention to such change. A reasonable time shall be allowed to enable prospective bidders to prepare and submit bids before the time set for public opening of bids.
- (3) Provide notification of bids in accordance with the requirements identified in Section 12-10-12 of this Code.

- (4) Received written bids submitted by prospective contractors.
- (b) *Comparison of equalization credits.*
- (1) *Detroit-based business and Detroit-resident business.* As the first step in comparing bids, the bid of any Detroit-based business or small Detroit-resident business shall be deemed a better bid than the bid of any competing firm which is not a Detroit-based business or Detroit-resident business whenever the bid of such competing firm shall be equal to or higher than the bid of the Detroit-based business or Detroit-resident business, after the appropriate equalization percentage credit from the following equalization allowance table—has been applied to the bid of the Detroit-based firm;—

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

~~If the bidder qualifies as both a Detroit-based business and a Detroit-resident business, the equalization factor in the preceding following table shall be doubled. If the bidder has qualified as a Detroit-based business by virtue of being a Detroit-headquartered business, as defined in [Section 17-5-1](#) of this Code, it shall receive the equalization factor in the preceding following table plus an additional percent, provided, that an affiliate, a subsidiary, a limited-liability corporation, or other business structure shall not receive the additional three percent where the Human Rights Department determine that another related office outside the City has a larger presence than the Detroit office.~~

- (2) *Joint ventures, mentor ventures, and Detroit-based small and micro businesses.* In comparing bids, the bid of any joint venture, mentor venture, Detroit-based small business, or Detroit-based micro business shall be deemed a better bid than the bid of any competing firm, which is not a joint venture, mentor venture, Detroit-based small business, or Detroit-based micro business whenever the bid of such competing firm shall be equal to or higher than the bid of the joint venture, mentor venture, Detroit-based small business or Detroit-based micro business, after the appropriate equalization percentage credit from the following equalization allowance table has been applied to the bid of the Detroit-based firm:
- (3) *Construction workforce development business, and construction workforce investment businesses.* In comparing bids, the bid of any Construction workforce development business, or Construction workforce investment business shall be deemed a better bid than the bid of any competing firm, which is not a

Construction workforce development business or Construction workforce investment business, whenever the bid of such competing firm shall be equal to or higher than the bid of the Construction workforce development business or Construction workforce investment business, after the appropriate equalization percent credits from the following equalization allowance table has been applied to the bid of the Construction workforce development or Construction workforce investment business. The bid of any Construction workforce development business shall be deemed a better bid than the bid of a Construction workforce investment business, whenever the bid of a Construction workforce investment business shall be equal to the bid of a Construction workforce development business, after the appropriate equalization percentage credits from the following equalization allowance table has been applied to the bid of the Construction workforce business.

Equalization Allowance Table	
<u>Detroit headquartered business</u>	<u>6%</u>
<u>Detroit-based business</u>	<u>2%</u>
<u>Detroit-resident business</u>	<u>6%</u>
<u>Construction workforce development</u>	<u>5%</u>
<u>Construction workforce investment</u>	<u>5%</u>
Detroit-based small business	1%
Detroit-based micro business concern	2%
Joint venture	2%
Mentor venture	1% <u>6%</u>

(c) *Application of equalization credits.*

- (1) For purposes of evaluating or scoring bids, a bidder shall be entitled to receive the equalization percentage credit for each category for which it qualifies under Section 17-5-12 through Section 17-5-14. The bidder that makes the lowest bid, as evaluated or scored, shall be deemed the lowest equalized bidder. If the lowest

equalized bid is evaluated or scored below the lowest responsible bid submitted, the lowest equalized bidder shall be awarded the contract, provided that, the contract awarded to such bidder shall not exceed, more than twelve percent above the lowest responsible bid submitted, or \$100,000.00, whichever is less. The firm that makes the lowest bid, as evaluated, shall be deemed the lowest bidder.

- (2) In the application of these equalization percentage credits, a joint venture shall not also be considered a mentor venture and a mentor venture shall not also be considered a joint venture. Unless certified before the deadline for submitting a bid, no bidder or firm shall receive an equalization credit as a Detroit-based business, small business or micro business concern. A joint venture or mentor venture shall not receive an equalization credit unless the Detroit-based business in the venture has been certified as such before the deadline for submitting a bid. A Construction workforce development business or a Construction workforce investment business shall only receive an equalization credit for high-impact construction contracts.
- (3) If a bidder claims an equalization credit as a Detroit-resident business, Detroit-headquartered business, Detroit-based business, Construction workforce development business, Construction workforce investment business, Detroit small business, Detroit micro business concern, joint venture, or mentor venture it shall submit documentation of its eligibility with its bid. ~~The Office of Contracting and Procurement or the contracting department~~ Human Rights Department shall determine whether the bidder ~~qualifies~~ qualifies as a

Detroit-resident business, Detroit-headquartered business, Detroit-based business, Construction workforce development business, Construction workforce investment business, Detroit small business, Detroit micro business concern, joint venture, or mentor venture after the bid opening and shall certify such businesses annually consistent with a fee schedule approved by City Council via resolution. The disclosure of any personal identification records collected by the Human Rights Department for purposes of certification or verification under this Chapter is prohibited.

- (4) After applying any equalization percentage credit that is contained in this section, the Purchasing Director shall apply Sections [17-5-14](#) through [17-5-16](#) of this Code. Where Sections [17-5-14](#) through [17-5-16](#) of this Code do not apply, the contract shall be awarded to the lowest responsible bidder.

- (5) All bidders receiving equalization credits under this section, shall be posted on the Human Rights Department's website.

(d) *Limited bidding permitted in certain circumstances.* On the Purchasing Director's own initiative or at the request of the contracting department, the Purchasing Director may limit the bidding for a contract to Detroit-based businesses, Detroit-based small businesses, or Detroit-based micro businesses, provided, that there are at least three firms certified or registered by the Human Rights Department which would be eligible to bid for the contract. The equalization factors in [Section 17-5-12](#) of this Code shall not apply to the solicitation of bids under this subsection. In determining whether to so limit the bidding, the Purchasing Director should make commercially reasonable efforts to maximize the utilization of Detroit-based

businesses, Detroit-based small businesses, or Detroit-based micro businesses. As used in this subsection only, "should" means a strong recommendation, but does not mandate the actions described.

(e) *Documentation to be made available.* Any bidder who claims to be entitled to an equalization percentage credit shall agree to make the records that were necessary to establish eligibility available to the City.

(f) *Prohibition against unapproved assignments or subcontracts.* A Detroit-resident business, a Detroit-based business, or a mentor venture or joint venture with a Detroit-resident business or Detroit-based business may not assign or subcontract its City contracts to a non-Detroit-based business or a non-Detroit resident business without the approval of such assignment or subcontract by the Purchasing Director.

(g) *Required clearances for major purchases.* Any contractor awarded a City contract under this section must receive an employee income clearance from the City of Detroit Treasury Department in accordance with the requirements of Section 17-5-1 of this Code, prior to City Council's consideration.

(h) *Required clearances for construction projects.* Any construction contractor awarded a City construction contract under this section must receive a corporate accountability clearance and applicable workforce safety clearance from the Office of Contracting and Procurement in accordance with the requirements of Section 17-5-1 of this Code, prior to consideration of City Council's approval.

(i) Prohibitions related to construction workforce development and investment businesses. A construction workforce development business or a construction workforce investment business may not:

- (1) Assign or subcontract its City contract to a business without the approval of such assignment from the Purchasing Director;
- (2) Assign or subcontract its City contract to a business that does not meet the criteria of a Construction workforce development business or Construction workforce investment business as defined by Section 17-5-1 of this Code; or
- (3) Fail to maintain the requisite qualifications of a Construction workforce development business or Construction workforce investment business through the awarding and completion of the construction project or the certification period, whichever is longer.

(j) *Exemptions.* The requirements of this section shall not be applicable where any one of the following conditions exists:

- (1) Public exigencies require the immediate delivery of the articles or performance of the service;
- (2) The Purchasing Director certifies that only one source of supply is available;
- (3) The services to be performed are professional in nature; or
- (4) The item to be acquired is rare or unique.

Sec. 17-5-13. Solicitation of bids, comparison of equalization credits in bids, and application of equalization credits for bids, for non-major purchases; ~~exceptions~~; Required

clearances;—Required clearances for construction projects; Prohibitions related to construction workforce development and investment businesses.

(a) *Solicitation of bids.* Where the purchase of goods or services entails an expenditure which is not major, as defined in [Section 17-5-1](#) of this Code, the Purchasing Director is authorized to award the contact subject to the following conditions:

- (1) The practice of competitive bidding is required but formal advertising, which includes advertising in both the newspaper designated to print the official business of the City and in a centralized location on the City's website, is required only for contracts over \$10,000.00. An equalization percentage credit shall be allowed as provided for in [Section 17-5-12](#) of this Code whenever there is full and free competitive bidding, provided, that the Purchasing Director may limit bidding to Detroit-based businesses and in that event no equalization percentage credit shall be allowed for Detroit-based small business concerns or Detroit-based micro business concerns.
- (2) In soliciting bids, the Purchasing Director shall affirmatively seek out Detroit-based businesses, Detroit-based micro business concerns, Detroit-based small businesses, Detroit-headquartered businesses, and Detroit-resident businesses as well as Detroit-based resources available through cooperative purchases resources.
- (3) The Purchasing Director must make a determination that the prospective contractor is responsible. The Purchasing Director should utilize all available information from within the Office of Contracting and Procurement and other

City departments, from the prospective contractor, and from banks and other financial companies, in order to ascertain whether the prospective contractor is responsible under the guidelines set forth under "lowest responsible bidder" as defined in [Section 17-5-1](#) of this Code.

(4) The Purchasing Director must provide a notification to all bidders that employment verification may be required prior to receiving a notice to proceed.

(b) *Application of equalization credits.* After applying any equalization credit that is contained in this section, the Purchasing Director shall apply Sections [17-5-14](#) through [17-5-16](#) of this Code. Where Sections [17-5-14](#) through [17-5-16](#) of this Code do not apply, the contract shall be awarded to the lowest responsible bidder.

(c) *Prohibition against unapproved assignments or subcontracts.* A Detroit-resident business, a Detroit-based business, or a mentor venture or joint venture with a Detroit-resident business or Detroit-based business may not assign or subcontract its City contracts to a non-Detroit-based business or a non-Detroit resident business without the approval of such assignment or subcontract by the Purchasing Director.

(d) *Required clearances for non-major purchases.* Any contractor awarded a City contract under this section must receive an employee income clearance from the City of Detroit Treasury Department in accordance with the requirements of Section 17-5-1 of this Code, prior to City Council's consideration.

(e) *Required clearances for construction projects.* Any construction contractor awarded a City construction contract under this section must receive a corporate accountability clearance and applicable workforce safety clearance from the Office of Contracting and

Procurement in accordance with the requirements of Section 17-5-1 of this Code, prior to City Council's consideration.

(f) Prohibitions related to construction workforce development and investment businesses. A construction workforce development business or a construction workforce investment business may not:

- (1) Assign or subcontract its City contract to a business without the approval of such assignment from the Purchasing Director;
- (2) Assign or subcontract its City contract to a business that does not meet the criteria of a Construction workforce development business or Construction workforce investment business as defined by Section 17-5-1 of this Code; or
- (3) Fail to maintain the requisite qualifications of a Construction workforce development business or Construction workforce investment business through the awarding and completion of the construction project or the certification period, whichever is longer.

~~**Secs. 17-5-18 – 17-5-50. Reserved.**~~ REPEALED.

~~**Secs. 17-5-18 – 17-5-30. Reserved.**~~

PART 2. TARGET WORKFORCE REQUIREMENTS, TARGET REPORTING DATA, OUTREACH AND RECRUITMENT

Sec. 17-5-31. Target workforce requirement for non-professional service contract; verification; Detroit-resident hiring plan; evaluation; compliance status reported on resolutions; exemptions; effective date.

(a) Prior to receiving a notice to proceed, any business entity that employs a minimum of four Michigan residents, and is awarded a City funded non-professional service contract which will be performed within City limits, for \$100,000.00 or more, and for a duration of at least one year, must demonstrate that at least 51 percent of all skilled and unskilled labor hours that will be performed by Michigan residents on the non-professional service contract, shall be performed by Detroit residents, which shall be verified subsequent to the submission of the bid by providing:

- (1) The names and addresses of the Detroit residents employed on the contract;
- (2) A copy of a current Michigan driver's license, identification card, or municipal identification card, permanent resident card, United States passport, military identification card, Native American tribal document, or any other form of identification deemed appropriate by the Human Rights Department, for each Detroit resident on the business entities' payroll; and
- (3) An affidavit signed by the business entity's Chief Executive Officer or authorized designee, confirming that all Detroit resident employees have authorized the submission of their personal identification for the purposes of employment verification.

(b) The Office of Contracting and Procurement shall verify proof of the 51 percent targeted workforce requirement under Subsection (a) of this section with the Human Rights Department and provide documentation of said verification to the business entity, however, such verification shall not be necessary if the business entity has been certified by the Human Rights Department as a Detroit-resident business prior to submitting the bid on the contract.

(c) If the business entity does not meet the 51 percent targeted workforce requirement prior to receiving a notice to proceed, the business entity shall present a Detroit-resident hiring plan to the Human Rights Department detailing the manner in which it intends to increase the number of Detroit-residents employed, and which shall include such business' commitment to:

- (1) Attend procurement outreach meetings;
- (2) Use the Detroit Economic Growth Corporation to develop a working staffing plan to actively recruit Detroit-residents for employment from colleges located in the City of Detroit;
- (3) Maintain a partnership with the Detroit Public School Community District;
- (4) Post all job openings on the Detroit at Work website;
- (5) Advertise all job openings pursuant to the notification requirements set forth in Section 12-10-12 of this Code; and
- (6) Notify the Human Rights Department prior to initiating the hiring process.

(d) Thirty days prior to the end of the contractual term, any business entity that is subject to the requirements of this Section shall be evaluated by the Human Rights Department to ensure compliance with the targeted workforce requirements:

- (1) A business entity that meets the targeted workforce requirements or complies with conditions of the Detroit-resident hiring plan shall be classified as a *Workforce Compliant Contractor*.
- (2) If the business entity fails to comply with the requirements of this section by the end of the contract term, the business entity shall be classified as a *Workforce*

Non-Compliant Contractor: The business entity's status as a *Workforce Non-Compliant Contractor* shall be:

- a. Posted on the Human Rights Department website; and
- b. Forwarded to the Office of Contracting and Procurement.
- c. If the business entity is listed as a *Workforce Non-Compliant Contractor* and demonstrates compliance following a review of a Detroit resident hiring plan on a subsequent contract, the business entity's status shall be immediately updated on the Human Rights Department's website and forwarded to the Office of Contracting and Procurement.

(e) A business entity's compliance status under Subsection (d) of this section shall be listed on any resolution submitted to City Council, prior to Council's consideration of any subsequent contract that may be awarded to such entity.

(f) The requirements of Subsection (d)(2) of this section may be waived if one of the following circumstances occur:

- (1) Detroit residents were hired but subsequently moved out of the City during the term of the contract; or
- (2) The business entity demonstrates compliance with at least two of the terms of the Detroit-resident hiring plan.

(g) The provisions of this section shall become effective on July 1, 2022.

Sec. 17-5-32. Target workforce requirement for construction contracts; verification; Detroit-resident hiring plan; evaluations; compliance status reported on resolutions; exemptions; effective date.

(a) Prior to receiving a notice to proceed, any business entity that employs a minimum of four Michigan residents, and is awarded a City funded construction contract which will be performed within City limits, for \$100,000.00 or more, and for a duration of at least one year, must demonstrate that at least 30 percent of all skilled and unskilled labor hours that will be performed on the construction contract by Michigan residents, shall be performed by Detroit residents, which shall be verified subsequent to the submission of the bid by providing:

(1) The names and addresses of the Detroit residents employed on the contract;

(2) A copy of a current Michigan driver's license, identification card, or municipal identification card, permanent resident card, United States passport, military identification card, Native American tribal document, or any other form of identification deemed appropriate by the Human Rights Department, for each Detroit resident on the business entities' payroll; and

(3) An affidavit signed by the business entity's Chief Executive Officer or authorized designee, confirming that all Detroit resident employees have authorized the submission of their personal identification for the purposes of employment verification.

(b) The Office of Contracting and Procurement shall verify proof of the 30 percent targeted workforce requirement under Subsection (a) of this section with the Human Rights Department and provide documentation of said verification to the business entity, however, such verification shall not be necessary if the business entity has been certified by the Human Rights Department as a Detroit-headquartered business or Detroit-resident business prior to submitting the bid on the contract.

(c) If the business entity does not meet the 30 percent targeted workforce requirement prior to receiving a notice to proceed, the business entity shall present a Detroit-resident hiring plan to the Human Rights Department detailing the manner in which it intends to increase the number of Detroit-residents employed, and shall include such business' commitment to:

- (1) Attend procurement outreach meetings;
- (2) Use the Detroit Economic Growth Corporation to develop a working staffing plan to actively recruit Detroit-residents for employment from colleges located in the City of Detroit;
- (3) Maintain a partnership with the Detroit Public School Community District;
- (4) Post all job openings on the Detroit at Work website;
- (5) Advertise all job openings pursuant to the notification requirements set forth in Section 12-10-12 of this Code; and
- (6) Notify the Human Rights Department prior to initiating the hiring process.

(d) Thirty days prior to the end of the contractual term, any business entity that is subject to the requirements of this section shall be evaluated by the Human Rights Department to ensure compliance with the targeted workforce requirements:

- (1) A business entity that meets the targeted workforce requirements or complies with conditions of the Detroit-resident hiring plan shall be classified as a *Workforce Compliant Contractor*.
- (2) If the business entity fails to comply with the requirements of this section by the end of the contract term, the business entity shall be classified as a *Workforce*

Non-Compliant Contractor: The business entity's status as a *Workforce Non-Compliant Contractor* shall be:

- a. Posted on the Human Rights Department website;
- b. Forwarded to the Office of Contracting and Procurement; and
- c. If a business entity is listed as a *Workforce Non-Compliant Contractor* and demonstrates compliance following a review of a Detroit resident hiring plan on a subsequent contract, the business entity's status shall be immediately updated on the Human Rights Department's website and forwarded to the Office of Contracting and Procurement.

(e) A business entity's compliance status under Subsection (d) shall be listed on any resolution submitted to City Council, prior to Council's consideration of any subsequent contract that may be awarded to such entity.

(f) The requirements of Subsection (d)(2) of this section may be waived if one of the following circumstances occur:

- (1) Detroit residents were hired but subsequently moved out of the City during the term of the contract; or
- (2) The business entity demonstrates compliance with at least two of the terms of the Detroit-resident hiring plan; or
- (3) The business entity accepts at least five Detroit resident apprentices or partners with an organization that has accepted at least five Detroit resident apprentices throughout the term of the contract. The Detroit resident apprentices shall be

verified in accordance with the requirements of Section 17-5-32(a)(2) of this Code.

(g) The provisions of this section shall become effective on July 1, 2022.

Sec. 17-5-33. Human Rights Department to provide notification of hiring; Detroit-resident hiring plans.

(a) Effective July 1, 2022, the Human Rights Department shall provide notice of a business entity's intent to hire under Section 17-5-32 and 17-5-33 of this Code in accordance with the requirements of Section 12-10-12 of this Code.

(b) Effective July 1, 2022, the Human Rights Department shall post a list of all Detroit-hiring plans on their website and update any changes made to such plans within thirty days. The posting shall include:

- (1) The business entity's name;
- (2) The contract service;
- (3) The contract dollar amount; and,
- (4) The workforce compliance status.

Sec. 17-5-34. Outreach efforts.

(a) The Purchasing Director shall be responsible for the following efforts to encourage the participation of certified Detroit businesses and Detroit residents in the procurement process:

- (1) Sponsoring at least two procurement outreach meetings, each year, in each of the seven City Council Districts, which shall be coordinated with the two at-large Council members and the District Council Member; and

- (2) Providing notification of upcoming bids and procurement outreach meetings to the Office of Contracting and Procurement's supplier database and the community in accordance with the requirements of Section 12-10-12 of this Code.

Sec. 17-5-35. Policy requiring the submission of a procurement outreach report to City Council.

(a) Prior to the request for City Council approval of any contract awarded to a business that is located outside the City of Detroit, the Office of Contracting and Procurement shall submit a procurement outreach report to City Council which shall provide:

- (1) The names and addresses of all businesses located in the City that were contacted pursuant to Section 17-5-11(b) of this Code;
- (2) A summary of the notification process, contact, results and information sharing process for action taken in accordance with Section 17-5-11(b) of this Code;
- (3) A summary of the outreach efforts that were conducted in accordance with Section 17-5-34 of this Code; and,
- (4) An explanation of why a contractor located in the City was not selected, if a contractor located in the City submitted a bid on the project.

Sec. 17-5-36. Policy requiring the collection of target reporting data; maintenance; term of contract; submission to City Council.

(a) The Purchasing Director shall be responsible for collecting target reporting data, where available, on all City contracts to perform a service in the City of Detroit.

(b) The target reporting data that is collected pursuant to this section shall be maintained by the Purchasing Director for the contractual term, including any extensions or amendments thereto or for the duration required by law.

(c) The target reporting data submitted by businesses and collected pursuant to this section shall be included as a term and/or condition of the contract.

(d) The target reporting data collected for each City contract under this section shall be provided to the City Council in accordance with the requirements of Section 17-5-37(a) of this Code.

Sec. 17-5-37. Information to be provided to the City Council within 21 days of submission of the request.

Within 21 days of a request made by City Council, any information obtained by the Office of Contracting and Procurement or the Human Rights Department pursuant to this Subdivision shall be provided to City Council.

Secs. 17-5-38 – 17-5-50. Reserved.

SUBDIVISION C. DETROIT SUPPLY SCHEDULE

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

(a) The Detroit Supply Schedule program shall be directed by the Chief Financial Officer and implemented and managed by the Chief Procurement Officer.

(b) The Chief Procurement Officer shall:

(1) Issue Detroit Supply Schedule publications that provide an overview of the Detroit Supply Schedule Program;

(2) Issue all requests for proposals and associated guidelines issues pursuant to this program; and

(3) Publish each awarded Detroit Supply Schedule contract of goods and services.

(c) The Detroit Supply Schedule, publications, and guidelines shall be readily available at the Office of the Chief Financial Officer's website.

(d) The Chief Financial Officer shall conduct an annual review of the program to compare the prices paid by the City with market rates and to otherwise ensure that the City is benefiting from the program in terms of performance and price.

(e) Every five years, beginning in 2024, the Chief Procurement Officer shall prepare a report providing an overview of the Detroit Supply Schedule program. The report shall be forward to City Council and posted on the Office of the Chief Financial Officer's website.

Sec. 17-5-57. Request for quotations.

(a) Following approval of Detroit Supply Schedule contracts in accordance with Section 17-5-21 of this Code, the Chief Procurement Officer may issue requests for quotations for specific delivery and performance dates for goods and services.

- (1) The Chief Procurement Officer shall forward requests for quotations to all approved contractors under the specific Detroit Supply Schedule Item Numbers and such contractors shall be given a fair opportunity to compete for the task or delivery order.
 - (2) Requests for quotations shall provide a reasonable period of time for response and shall describe significant factors to be considered in evaluating all response.
 - (3) The equalization factors found at Sections [17-5-12](#) and [17-5-13](#) of this Code shall be applied in the award of task and delivery orders under this section.
 - (4) The Chief Procurement Officer shall select the lowest responsible bidder or bidders to fulfill the request for quotations and issue a task or delivery order to the selected contractor(s).
 - (5) The Chief Procurement Officer may select more than one eligible contractor to fulfill a request for quotations.
- (b) Additional City Council approval shall not be required for the selection of Detroit Supply Schedule contractors to provide the goods or services sought by a request for quotations.
- (c) As provided for in [Section 17-5-12\(f\)](#) and ~~(h)~~ of this Code, a Detroit-resident business, a Detroit-based business, ~~or~~ a major venture or joint-venture with a Detroit-resident business or Detroit-based business, a Construction workforce development business or a Construction workforce investment business may not assign or subcontract its City contracts ~~to a non-Detroit-resident or a non-Detroit-based business without the approval of such assignment or subcontract by the Chief Procurement Officer.~~

(d) No task or delivery order may be awarded to a Detroit Supply Schedule contractor after the expiration of a Detroit Supply Schedule contract unless City Council has approved a renewal or extension of the original Detroit Supply Schedule contract.

(e) The Chief Procurement Officer shall provide City Council with notice of all task and delivery orders and the dollar value of such orders on a quarterly basis.

~~Sec. 17-5-58. Outreach efforts.~~

~~(a) The Chief Procurement Officer and the Director of the Civil Rights and Inclusion Office shall be responsible for the following efforts to encourage the participation of Detroit-certified businesses and Detroit-residents in the procurement process:~~

- ~~(1) Development of workshops, seminars and educational meetings regarding contracting and the procurement process;~~
- ~~(2) Sponsorship of at least two educational and outreach meetings, each year, in each City Council District, which will be coordinated with the two at-large Council members and the District Council Member;~~
- ~~(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; and;~~
- ~~(4) Submission of all Detroit Supply Schedule requests for proposals to City Council at the time such requests are released for bidding. REPEALED.~~

Sec. 17-5-~~58~~. Authorization for use by other government units.

The Chief Procurement Officer may authorize other governmental units, including municipalities and counties, within Michigan, Illinois, Ohio, and Wisconsin, to procure goods and services under the terms and conditions provided for in the Detroit Supply Schedule.

Secs. 17-5-~~59~~ – 17-5-90. Reserved.

DIVISION 2. PROFESSIONAL SERVICES CONTRACTS

SUBDIVISION A. GENERALLY

Sec. 17-5-152. Procurement of professional contractual services.

The Purchasing Director shall procure all professional services contracts through the procedures established in Sections [17-5-153](#) , ~~through~~ [17-5-155](#) , and [17-5-158](#) of this Code.

Sec. 17-5-153. Procedure for procurement of professional services.

Professional contractual services shall be procured in the following manner:

(1) *File of professional services providers.*

- a. *Maintenance of file.* The Purchasing Director and/or contracting departments may maintain a file or listing of professional service providers organized as deemed appropriate.
- b. *Creation of file.* Where the Purchasing Director or a contracting department maintains a file or listing of professional service providers, said departments shall advertise, at least annually, a request for qualifications or information for professional service providers both in a newspaper designated to print the official business of the City and in a centralized location on the City's website, and where applicable and if

available, in other newspapers of general circulation, local trade newspapers, magazines or journals, or websites, including those designed to reach minorities and females, and those designed to reach the professional group or groups related to the subject matter of the anticipated contracts. Materials submitted by respondents to the advertisement shall be placed in the relevant file maintained by the Purchasing Director or contracting department.

- c. *Other relevant materials.* The Purchasing Director and/or the contracting department shall also include in the file of professional services provider resumes and other materials related to qualifications of other professional service providers, whether or not submitted in response to an advertisement.

(2) *Use of request for proposals, qualifications, information or quotations.*

- a. *Requirement of use.* A request for proposals, qualifications, information or quotations shall be issued by the Purchasing Director or by the contracting department acting at the direction and in cooperation with the Purchasing Director for all professional services contracts to be awarded, except as provided for in this division. The RFI, RFP, RFQ, or RFQQ shall be sent to all firms in the file of providers of the subject professional service and other identified competent providers of such services, or advertised as provided for in Subsection (1) of this section.

b. *Content of request for proposals, qualifications, information or quotations.* The request for proposals, qualifications, information or quotations shall be formulated by the Purchasing Director or by the contracting department acting at the direction and in cooperation with the Purchasing Director and be in the form specified by the Purchasing Director and, in addition to the standardized minimum eligibility requirements for all professional service providers, shall contain at least the following specifications and information:

1. The type of services required;
2. A description of the engagement;
3. An estimate of the length of time necessary to perform the engagement;
4. The type of contract to be used;
5. A deadline by which proposals for the performance of the services shall be submitted;
6. A statement that proposals shall be in writing;
7. A statement that service providers may designate as confidential those portions of their responses to the request for proposals which contain trade secrets or other proprietary data;
8. A statement of the minimum information that the proposals shall contain, including:

- (i) The name of the service provider, the location of the service provider's principal place of business and, if different, the place of performance of the proposed contract;
 - (ii) If deemed relevant by the department director, the age of the service provider's business and average number of employees over a previous period of time certain;
 - (iii) If applicable, the abilities, qualifications, and experience of all persons who would be assigned to provide the required services;
 - (iv) A listing of other contracts under which services similar in scope, size or discipline to the required services were performed, or undertaken, within a designated previous period of time certain;
 - (v) If applicable a plan that gives as much detail as is practicable and explain how the services will be performed;
9. The factors to be used in the evaluation and selection process. A firm's status as a Detroit-based business, joint venture or mentor venture, as defined in [Section 17-5-1](#) of this Code, shall be an evaluation factor in all RFIs, RFPs, RFQs, an RFQQs;
10. The prospective provider's tax status standing in payment of taxes to City, lack of prior history of default, quality of past

performance, fiscal responsibility and financial capability, any bonding or insurance that may be required, and professional or other license requirements; and

11. A statement advising bidders that prices bid will be compared to prices available to the City from cooperative purchases resources.

12. A statement advising bidders that employment verification may be required prior to receiving a notice to proceed for any contract that is subject to the requirements of Section 17-5-158 of this Cde.

(3) *Selection of professional services providers.* The members of the professional selection committee convened with respect to a particular engagement for professional services shall rank or score the responses submitted to a request for proposals, qualifications, information, or quotations according to the evaluation criteria stated in the request. The subject contract shall be offered to the highest ranked or scored respondent. If the contracting department is unable to negotiate a satisfactory contract with the highest ranked or scored firm at a price determined to be fair and reasonable to the City within a reasonable period of time as determined by the contracting department, negotiations shall then be initiated with the next highest ranked or scored firm. The process shall be repeated until a satisfactory contract is agreed upon.

~~Secs. 17-5-158—17-5-200. Reserved.~~ REPEALED.

SUBDIVISION B. TARGET WORKFORCE REQUIREMENTS

Sec. 17-5-158. Target workforce requirement for professional services contracts; verification; Detroit-resident hiring plan; evaluations; exemptions; effective date.

(a) Prior to receiving a notice to proceed, any business entity that employs a minimum of four Michigan residents, and is awarded a City funded professional services contract which will be performed within City limits, for \$100,000.00 or more, and for a duration of at least one year, must demonstrate that at least 30 percent of all skilled and unskilled labor hours that will be performed by Michigan residents on the professional services contract, shall be performed by Detroit residents, which shall be verified subsequent to the submission of the bid by providing:

- (1) The names and addresses of the Detroit residents employed on the contract; and
- (2) A copy of a current Michigan driver's license, identification card, or municipal identification card, permanent resident card, United States passport, military identification card, Native American tribal document, or any other form of identification deemed appropriate by the Human Rights Department, for each Detroit resident on the business entities' payroll; and
- (3) An affidavit signed by the business entity's Chief Executive Officer or authorized designee, confirming that all Detroit resident employees have authorized the submission of their personal identification for the purposes of employment verification.

(b) The Office of Contracting and Procurement shall verify proof of the 30 percent targeted workforce requirement under Subsection (a) of this section with the Human Rights Department and provide documentation of said verification to the business entity, however, such

verification shall not be necessary if the business entity has been certified by the Human Rights Department as a Detroit-headquartered business or Detroit-resident business prior to submitting the bid on the contract.

(c) If the business entity does not meet the 30 percent targeted workforce requirement prior to receiving a notice to proceed, the business entity shall present a Detroit-resident hiring plan to the Human Rights Department detailing the manner in which it intends to increase the number of Detroit-residents employed and shall include such business' commitment to:

(1) Attend procurement outreach meetings;

(2) Use the Detroit Economic Growth Corporation to develop a working staffing plan to actively recruit Detroit-residents for employment from colleges located in the City of Detroit;

(3) Maintain a partnership with the Detroit Public School Community District;

(4) Post all job openings on the Detroit at Work website;

(5) Advertise all job openings pursuant to the notification requirements set forth in Section 12-10-12 of this Code; and

(6) Notify the Human Rights Department prior to initiating the hiring process.

(d) Thirty days prior to the end of the contractual term, any business entity that is subject to the requirements of this section shall be evaluated by the Human Rights Department to ensure compliance with the targeted workforce requirements:

(1) A business entity that meets the targeted workforce requirements or complies with the conditions of the Detroit-resident hiring plan shall be classified as a *Workforce Compliant Contractor*.

(2) A business entity that fails to comply with the requirements of this section by the end of the contract term, the business entity shall be classified as a *Workforce Non-compliant Contractor*. The business entity's status as a *Workforce Non-Compliant Contractor* shall be:

a. Posted on the Human Rights Department website;

b. Forwarded to the Office of Contracting and Procurement; and

c. If the business entity is listed as a *Workforce Non-Compliant Contractor* and demonstrates compliance following a review of a Detroit resident hiring plan on a subsequent contract, the business entity's status shall be immediately updated on the Human Rights Department's website and forwarded to the Office of Contracting and Procurement.

(e) A business entity's compliance status under Subsection (d) of this section shall be listed on any resolution submitted to City Council, prior to Council's consideration of any subsequent contract that may be awarded to such entity.

(f) The requirements of Subsection (d)(2) of this section may be waived if one of the following circumstances occur:

(1) Detroit residents were hired but subsequently moved out of the City during the term of the contract; or

(2) The business entity demonstrates compliance with at least two of the terms of the Detroit-resident hiring plan.

(g) The provisions of this section shall become effective on July 1, 2022.

Sec. 17-5-159. Target workforce requirements for legal services contracts.

The provisions of Section 17-5-158 (a) through (g) shall be applicable to any business entity that employs a minimum of four employees which are Michigan residents, and is awarded a City funded legal services contract which will be performed within City limits, for \$100,000 or more, and for a duration of at least one year.

Sec. 17-5-160. Human Rights Department to provide notification of hiring; Detroit-resident hiring plans.

(a) Effective July 1, 2022, the Human Rights Department shall provide notice of a business entity's intent to hire under Section 17-5-158 and 17-5-159 of this Code in accordance with the requirements of Section 12-10-12 of this Code.

(b) Effective July 1, 2022, the Human Rights Department shall post a list of all Detroit-hiring plans on their website and update any changes made to such plans within thirty days. The posting shall include:

- (1) The business entity's name;
- (2) The contract service;
- (3) The contract dollar amount; and,
- (4) The workforce compliance status.

Sec. 17-5-161 – 17-5-200. Reserved.

Section 2. This ordinance is hereby declared necessary to preserve the public peace, health, safety, and welfare of the people of the City of Detroit.

Section 3. All ordinances, or parts of ordinances, that conflict with this ordinance are repealed.

Section 4. With the exception of Sections 17-5-31, 17-5-32, 17-5-33, 17-5-157,

17-5-158, 17-5-159, and 17-5-160 which shall become effective on July 1, 2022, in the event this ordinance is passed by two-thirds (2/3) majority of City Council Members serving, it shall be given immediate effect and become effective upon publication in accordance with Section 4-118 of the 2012 Detroit City Charter. Where this ordinance is passed by less than a two-thirds (2/3) majority of City Council Members serving, it shall become effective on the thirtieth (30) day after enactment, or on the first business day thereafter, in accordance with Section 4-118 of the 2012 Detroit City Charter.

Approved as to form:

Lawrence T. García
Corporation Counsel

