

# **Invest in Detroit Procurement Amendments**

*Policy Report*

# 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: Hiring Plan Requirements*

Hiring Plan Requirements

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 receives a contract for \$100,000 and at least one year and the contractor does not meet the required workforce requirement prior to receiving a notice to proceed, the contractor must sign a Hiring Plan administered, monitored and evaluated by the Office of Civil, Rights, Inclusion and Opportunity.

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

1. Attendance at City of Detroit Procurement Outreaches
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
8. For construction contractors, hiring of at least 5 apprentices across the various skilled trades represented on the contract

Compliance:

1. At the end of the term of the contract, contractors must have reached their required threshold and submit a recruitment report. If they have not received their required threshold over the term of the contract, they will be fined an amount based on the fine structure established via resolution by the Office of Civil Rights Inclusion and Opportunity and approved by city council.
2. Contractor will be exempt from a fine if:
  - a. (1) they can prove that a hired Detroiters moved out of the city post-hire and resulted in a decrease in workforce percentage.
  - b. (2) They have complied with at least 4 of the terms of the hiring plan.

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

1. Number of Detroit resident Interviews
2. Number of Detroit resident hires
3. 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 shall 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 a Hiring plan
  - a. Contractor Name
  - b. Contractor Service
  - c. Contractor Dollar amount
2. All submitted recruitment reports
3. All submitted hiring plans

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 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,

The Office of Detroit City Council President Brenda Jones

- (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.

*Section One: 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 8 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 12 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, Section 12-10-12 through Section 12-10-16 of this Code.

1. Receive written bids submitted by prospective contractors.
  - 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 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 were they 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 Condy 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.

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