

City of Detroit

CITY COUNCIL


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TO: Detroit City Council

FROM: David Whitaker, Director
Legislative Policy Division 

DATE: January 27, 2023

RE: **Proposed amendment to Procurement Ordinance**

The Legislative Policy Division (LPD) received a request from Council Member Mary Waters to draft an amendment to the City of Detroit's procurement ordinance with regard to insurance requirements for bidders of demolition contracts. LPD submits the attached draft ordinance amendment which may be referred to the Law Department for review and approval as to form.

If we can be of further assistance, feel free to call upon us.

S U M M A R Y

AN ORDINANCE to amend Chapter 17 of the 2019 Detroit City Code, Finance; by amending Article V, Purchasing and Supplies, Division 1, Goods and Services; Subdivision B. Purchasing of City Goods and Services, Section 17-5-11 Manner of purchasing; to provide for the health, safety and general welfare of the public.

1 **BY COUNCIL MEMBER MARY WATERS:**

2 **AN ORDINANCE** to amend Chapter 17 of the 2019 Detroit City Code, Finance;
3 by amending Article V, Purchasing and Supplies, Division 1, Goods and Services; Subdivision B.
4 Purchasing of City Goods and Services, Section 17-5-11 Manner of purchasing; to provide for the
5 health, safety and general welfare of the public; to provide for the health, safety and general welfare
6 of the public.

7 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT**

8 **THAT:**

9 **Section 1.** Amend Chapter 17 of the 2019 Detroit City Code, Finance; by amending
10 Article V, Purchasing and Supplies, Division 1, Goods and Services, Subdivision B. Purchasing
11 of City Goods and Services, Section 17-5-11 Manner of purchasing, to read as follows:

12 **CHAPTER 17, FINANCE**

13 **ARTICLE V, PURCHASING AND SUPPLIES**

14 **DIVISION 1, GOODS AND SERVICES**

15 **SUBDIVISION B, PURCHASING OF CITY AND SERVICES**

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

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

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

1 (1) Equalization percentage credits as provided for in Sections 17-5-12 and 17-5-
2 13 of this Code; and

3 (2) The preference for environmentally-preferred goods or services as provided
4 for in Section 17-5-14 of this Code; and

5 (3) The requirement that consideration be given to the price offered through a
6 cooperative purchases resource as provided for in Section 17-5-16 of this Code.

7 (c) **When soliciting a bid and awarding a contract for services of the demolition**
8 **of a dwelling or structure, the Purchasing Director shall comply with the**
9 **following:**

10 **(1) A bidder shall not as a pre-bid condition be required to have adequate**
11 **insurance for contracts for demolition services;**

12 **(2) Require the bidder that is awarded the demolition services contract to**
13 **present proof of adequate insurance (which includes the City of Detroit as a**
14 **named insurer) within five (5) days of receiving notice of being awarded the**
15 **contract from the Office of Contracting and Procurement;**

16 **(3) Failure of the winning bidder to provide proof of adequate insurance**
17 **within five (5) days of receiving the award shall result in the contract being**
18 **awarded to the next eligible bidder.**

19
20 **Section 2.** All ordinances or parts of ordinances in conflict with this ordinance are
21 repealed.

22 **Section 3.** This ordinance is declared necessary for the preservation of the public
23 peace, health, safety, and welfare of the people of the City of Detroit.

1 **Section 4.** If this ordinance is passed by a two-thirds (2/3) majority of City Council
2 members serving, it shall be given immediate effect and shall become effective upon
3 publication in accordance with Section 4-118 of the 2012 Detroit City Charter; if passed
4 by less than a two-thirds (2/3) majority of City Council members serving, it shall become
5 effective no later than thirty (30) days after publication in accordance with Section 4-118
6 of the 2012 Detroit City Charter; if this ordinance specifies a certain date to become
7 effective, it shall become effective in accordance with the date

8 Approved as to form:

9 _____
10 Conrad L. Mallett, Jr.
11 Corporation Counsel
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