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TO: The Detroit City Council

David D. Whitaker, Director FROM:

Legislative Policy Division Staff

DATE: November 16, 2023

RE: Responsible Contracting Ordinance—Applicability of the Community

Outreach Ordinance

Your Honorable Body is currently considering the enactment of the Responsible Contracting Ordinance ("RCO"). The Detroit Black Business Alliance and multiple members of the public raised the concern whether the Community Outreach Ordinance ("COO") applied to the process of enacting the RCO.

When applicable, the COO creates a standard community outreach process that allows residents to weigh in on large projects and contracts that impact the community. The COO largely applies to contracts and projects proposed by the City's Administration. The purpose is to allow residents to provide input before the terms have been finalized and proposed.

The RCO creates five classes of activities to determine the level of outreach required. While it is clear that the four of the classes do not apply, it has been suggested that the RCO falls within the following definition of a Class A Neighborhood Proposal² found in the COO:

¹ Article X Community Outreach, Section 12-10-1 et al., 2019 Detroit City Code

² Section 12-10-4 Definitions

Class A Neighborhood Proposal means all initiatives considered by City Council relating to the approval of surplus property sales, contracts regarding street scape projects and construction, contracts regarding the installation of camera surveillance technology, and amendments to the Detroit Master Plan of Policies...

Based on a reading of the definition, it is clear that the classification applies to a contract for construction services. While the RCO does regulate elements of the purchasing process for the letting of construction contracts, the RCO is not itself a contract. Under the RCO, there are limited instances where a proposed ordinance will trigger the outreach requirements such as when the legislation itself would codify specific terms of a proposed activity. In this instance, the RCO simply regulates the use of equalization credits for City contracts generally. So while the COO will require community engagement relative to contracts and proposals for certain enumerated activities, it will not apply to ordinances that regulate those same activities.

The waiver provisions in the COO does not apply for the enactment of the RCO because the no community outreach efforts are required pursuant to the COO.