



Policy: 5.25

**SUBJECT:                    CONSTRUCTION CONTRACTS BIDDING AND AWARDS**

**Supersedes:**            FEF  
**Effective:**                September 8, 2008  
**Page:**                        1 of 3  
**Approved by:**         Detroit Board of Education

**1.0    Policy**

*Note: A preamble to this policy appears under code Bidding Requirements. The section on “General Requirements” under that code also covers construction contracts bidding and awards. It states in part:*

*“Board policy requires competitive bidding ... for all building construction and service contracts in excess of \$50,000. Competitive bidding also will be used whenever so required by agreements for federal or other special funding.*

*“...Contractors wishing to do business with the district must file fair employment practices agreements and nonconflict of interest affidavits or disclosure statements and where applicable subcontractor/supplier affidavits...”*

*It is important to note that the bid price considerations set forth in the policy on “Purchasing Goods and Services and Awarding Orders/Contracts,” also filed under , apply to construction as well as other service contracts. That policy must be read in connection with the one below.*

**Awarding Construction Contracts Not Exceeding \$50,000**

1. The appropriate Detroit Board of Education officers will contract through the solicitation of bids for construction or alterations of building owned or leased by the Detroit Public Schools; except that when costs do not exceed \$50,000 the contract will be negotiated, and prior to award, the contract will be submitted to the General Superintendent for Board action.
2. Authorized staff is instructed to seek out and include black and other nonwhite minority contractors for possible awardability, taking into account cost, quality, and service.

3. Where feasible, taking into account cost, quality, and service, negotiations will be limited to qualified black and other nonwhite firms.
4. Where feasible, taking into account cost, quality, and service, 25-50 percent of each contract will be awarded to qualified black and other nonwhite minority firms through negotiation of subcontracts or joint ventures.
5. In areas where black or other nonwhite minority firms are not available, taking into account cost, quality, and service, negotiations may be extended to other firms in approved compliance status.
6. Where feasible, taking into account cost, quality, and service, the award of contracts to all firms will be limited to firms in approved compliance status.
7. No payment or performance bonds will be required.
8. The district's equal employment opportunities compliance director, in consultation with offices of (1) legal affairs, (2) finance, (3) school housing, and (4) administrative services, will make periodic status reports to the division heads and the General Superintendent regarding activities and results covered under this policy.

#### Affidavit for Subcontractors/Suppliers

The Board is concerned about the practice of some general or prime contractors using the lowest bid already received from a subcontractor to pressure other subcontractors into submitting even lower bids. The Board wishes to discourage this practice as it deprives the public of the full benefits of fair competition among prime contractors and subcontractors.

#### Board Approval of Construction Contracts

The Board will take action on construction contracts following recommendations made by the Board's housing committee after the latter considers recommendations of the General Superintendent and the school housing staff.

Deletions to construction contracts and additions that do not exceed \$10,000 may be approved in advance by the Board president and secretary, provided that any additional amount does not cause the total of all disbursements made under the project to exceed the project budget.

Such additions and deletions will be listed on a monthly report sent to Board members.

Any additions to contracts of \$10,000 or more will require official Board action in advance. No contractor will be authorized to proceed with an addition in excess of \$10,000 without first obtaining Board approval.

Signatures on Construction Contracts, Documents

The General Superintendent or a designee will designate one or more registered professional architects and/or registered professional engineers on the staff for the purpose of signing and sealing contract documents on behalf of the district in accordance with the professional registration laws of Michigan. The district will indemnify and hold harmless from professional liability the person or persons so designated.

**Attachments to Policy 5.25:**           None

**Legal References:**   MCLA § 380.434  
                                  MCLA § 380.1267

**Labor Contract References:**       Some negotiated agreements with employee units contain clauses on rights of the Board relative to contracting services.