



Policy: **5.19**

**SUBJECT:**                    **PROCUREMENT POLICY AMENDED**

**Supersedes:**

**Effective:**                    September 8, 2008

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**Approved by:**             Detroit Board of Education

## **1.0 Policy**

At its meeting of April 23, 1996 The Board of Education of the School District of the City of Detroit (“Detroit School Board” or the “Board”) adopted certain changes to its procurement policy as follows:

### **1.1 DETROIT-BASED BUSINESS**

- A. A Detroit-based business, as defined herein, shall receive a seven (7%) percent credit on any bid for a contract to be awarded by the Detroit School Board.
- B. Detroit-Based Business means an entity organized for profit including an individual, broker, partnership, corporation, association and joint venture, where (51%) percent of the full-time employees, chief officers, and managers of the business entity regularly work and conduct business in the City of Detroit and such business has a sufficient physical and economic relationship to the City to require the filing of a city income tax return for at least one (1) taxable year immediately prior to the date of its application for certification. A Detroit-based business shall also meet the following criteria:
  - 1) At least 30% of the total gross income of such business is derived from active conduct of such business in the City of Detroit.
  - 2) At least 51% of all tangible and intangible property of the business (whether owned or leased) is used within the city of Detroit.
  - 3) At least 51% of all services performed for the business by its employees are performed in the City of Detroit.

- 4) At least 35% of all employees are residents of the City of Detroit and 10% of such resident employees shall function at a management level. Such employees must have been employed for at least 90 days prior to an application for certification.

**1.2 DETROIT PUBLIC SCHOOL EMPLOYER**

- A. A three (3%) percent credit shall be given to the bid of a manufacturing, construction or nonprofessional service business that meets the following criteria and that is certified as a Detroit Public School Employer. This credit shall be in addition to any credit awarded to a certified Detroit-based Business, as defined herein.
- B. Detroit Public School Employer shall meet the following criteria:
  - 1) Employ Detroit Public School high school students and/or graduates (including G.E.D.) for a period of not less than 90 days prior to the date of its application for certification.
  - 2) All graduates included hereunder shall have graduated from a Detroit Public School within the five (5) year period preceding the date of application for certification as a Public Student Employer.
  - 3) Employ each graduate to work not less than 30 hours each week.
  - 4) Employ each student to work not less than 10 hours each week and
  - 5) Employ Detroit Public School students directly from the Cooperative Education Program, the Youth apprenticeship Program and the Career and Technical Education Program, (formerly known as Voc-Tech).
  - 6) Employ the lesser of:
    - a. 10 such students and/or graduates, or
    - b. such students and/or graduates comprise 25% of its total work force.

**1.3 PERIOD FOR WHICH CERTIFICATION IS IN EFFECT**

Any certification under this policy shall remain in effect during the period beginning on the date of the approval of the application or certification and ending on the earliest of:

- A. The termination date designated by the Detroit School Board, or
- B. The date the Board revokes the certification.

**1.4 REVOCATION OF CERTIFICATION**

The Board may revoke the certification if it is determined that the certified Detroit-based Business or Public School Employer has not remained in compliance with the criteria set forth in this policy for the full term of any contract awarded to such business.

**1.5 EQUAL EMPLOYMENT OPPORTUNITY**

The Board of Education of the City of Detroit is committed to the goals of equal employment opportunity. All bidders must submit with their bid a copy of their company's equal employment opportunity policy, or nondiscrimination policy prohibiting discrimination based on race, sex, religion, color, national origin, age or handicap that is unrelated to the individual's ability to perform the duties of a particular job or position.

**1.6 BUSINESS PARTNERSHIPS**

It is the policy of DPS that all businesses including Detroit-based Businesses shall have the maximum feasible opportunity to participate in the performance of contracts. The DPS further encourages joint ventures and other business relationships with Detroit-based Businesses.

The proposed Partnership(s) shall specify the scope of work to be performed by all parties of the partnership and the nature of the Partnership as it pertains to Requests for Bids or Proposals. In addition, the proposer shall serve as a mentor to the Partner in terms of providing training and staff development and assistance in identifying, securing business, etc. The Partnership(s) shall remain in effect for the duration of the contract.

The proposer must describe plans to team with one or more business partners in the execution of the Contract. The proposer shall submit (a) the name, address and phone number (b) the nature of the work to be performed (c) the dollar amount proposed for each subcontractor and percentage of the total Contract Sum and, (d) the federal identification number, social security number or state registration number.

All partners shall provide the same information identified above on 8 ½” X 11” paper, typewritten, and attached to the request for bid or proposal at the time it is submitted. Failure to provide the requested information accurately and completely in the format specified may result in rejection of the proposal.

*Please refer to page (1) of this addendum for the definition of a Detroit-based Business.*

**1.7 REGULATIONS**

The Detroit School Board shall prescribe such regulations consistent with this Policy as may be necessary to carry out the process for obtaining certification hereunder.

**1.8 RIGHT TO REJECT**

The Detroit School Board expressly reserves the right to reject, in its sole discretion; any bidder for any contract that the Board determines is not a bidder that is capable of providing quality services to the Board. The Board further expressly reserves the right to reject all bids in response to a request for bids or proposals.

**1.9 SUSPENSION OF CREDITS**

In order to minimize the cost to the Board or for other reasons, in its sole discretion, the Board expressly reserves the right to suspend at any time the granting of percentage credits to certified businesses. Such suspension shall not affect the certified status of the business or otherwise limit the provisions of this procurement policy.

- A. In the event of a suspension of percentage credit in accordance herewith, the Board may set a percentage dollar goal of thirty percent (30%) of the total dollar value of all contracts let by the Board to be awarded to certified Detroit-based Businesses and/or certified Detroit Public School Employers. To achieve such a goal, the Board may limit bidding on selected contracts up to the percentage dollar goal to certified Detroit-based Businesses and/or certified Detroit Public School Employers.
- B. In addition to the Board’s right to reject bids under paragraph 8 hereof, the Detroit Board of Education in its sole discretion, may reject any or all bids of certified businesses and may then again request bids or proposals from certified businesses or may request

bids or proposals for award of contract without regard to certified status.

**Attachments to Policy 5.19:** None

**See also:** None

**Legal References:** None

**Labor Contract References:** None