

September 2023

New Procurement Policy



Water & Sewerage
Department



**Watch the recording of the New
Procurement Policy Workshop here:**

<https://www.youtube.com/watch?v=LyKaO1qkX94>



Water & Sewerage
Department

Tiffany M. Jones

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Inclusion Director



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www.detroitmi.gov/dwsd

Additional Resource:

Do you need help bidding on a DWSD solicitation for the first time? Wayne State University's APEX Accelerator can help you get prepared with procurement counseling including proposal writing training.



313-577-4665



apex@wayne.edu



<https://execed.wayne.edu/entrepreneurship/apex-accelerator>

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www.detroitmi.gov/dwsd



Requirements to do Business with DWSD

DWSD has its own Procurement Group, Procurement Policy, and e-procurement platform, separate from City of Detroit.



Register with Michigan Inter-Governmental Trade Network (MITN) hosted by bidnet direct

Website: www.mitn.info
Phone: 800-835-4603

This is where we publish our solicitations. Step-By-Step registration instructions are available at detroitmi.gov/DWSD. (Website search: MITN Instructions)



Registration into the City of Detroit's Supplier Portal

Website: detroitmi.gov/supplier
Email: procurementinthecloud@detroitmi.gov
Phone: 313-224-4600

Allows the award and subsequent payment processes to go quicker and the City can issue purchase orders and process invoices for payment efficiently.



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Requirements to do Business with DWSD

DWSD has its own Procurement Group, Procurement Policy, and e-procurement platform, separate from City of Detroit.



Apply for Certifications through the Civil Rights, Inclusion & Opportunity (CRIO) Department

Email: crio@detroitmi.gov

Phone: 313-224-4950

This may qualify your business for equalization credits (competitive advantage) as permitted by the DWSD Procurement Policy.



Obtain Clearances from the City of Detroit

Application: <https://bit.ly/detroitclearances>

Email: CityofDetroitClearances@detroitmi.gov

Phone: 313-224-3960

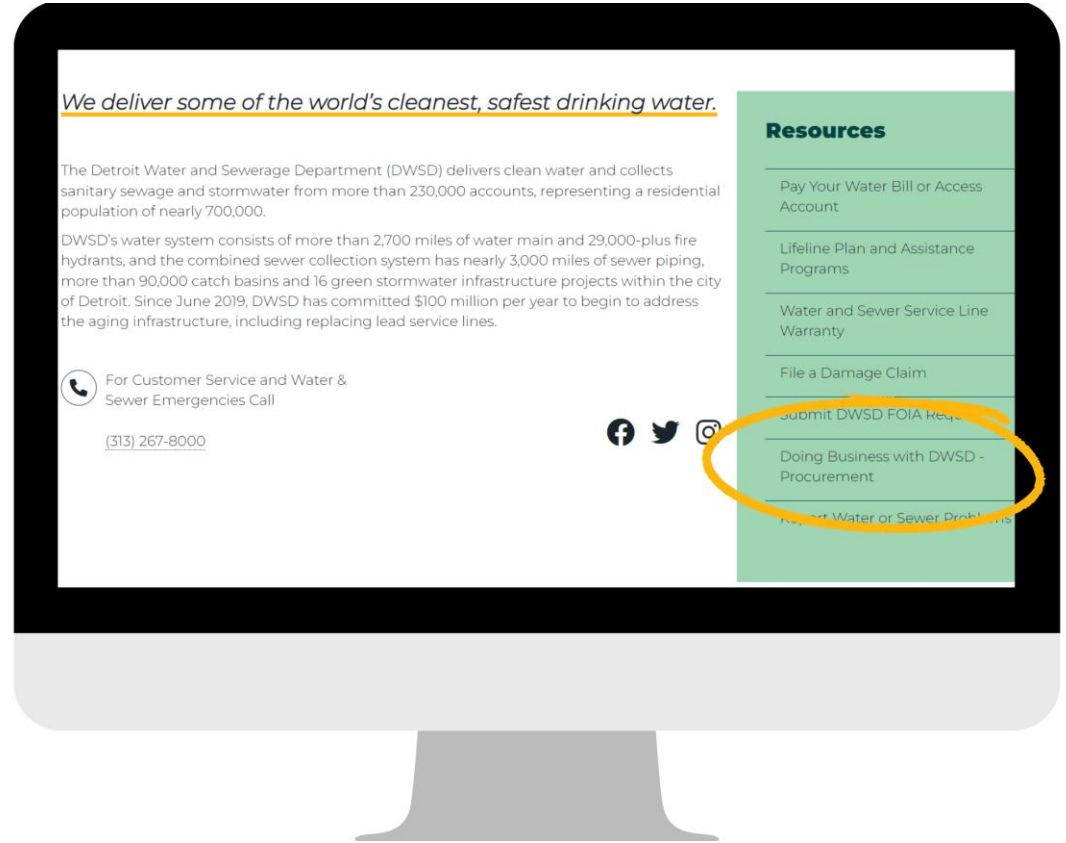
DWSD requires annual City of Detroit Income Tax & Revenue clearance certificates.



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Procurement Website

- www.detroitmi.gov/dwsd
- Scroll down to “Resources” and click on “Doing Business with DWSD – Procurement.”



2023 Procurement Policy Updates

- Effective October 1, 2023, there are several updates to DWSD's Procurement Policy.
- The policy aims to build competition, diversity, and opportunities for Detroiters.

Ethics

- A vendor may not respond to a solicitation as the prime contractor if they have provided their pricing to another bidder to act as its subcontractor.
- 60 days prior to a solicitation and during solicitation process, vendors and non-Procurement employees cannot discuss scope/terms
- DWSD employees can perform outreach activities to educate potential vendors generally of opportunities or how to do business with DWSD.

Protests

- Any bidder who was not chosen may protest. (Former policy: Only a responsible and responsive bidder may protest.)
- Protest must be submitted within 7 days from date of award.
- A protester may not challenge the good faith business decisions of the evaluation committee or its members. A protest shall only be upheld for breach of policy, error in evaluation based on clear and convincing evidence, or fraudulent conduct by either the successful bidder or DWSD.
- The Board of Water Commissioners (BOWC) shall vote to either uphold or reject the protest. The BOWC may ask vendor and/or DWSD employees to attend meeting to answer questions.
- If the protest is upheld, DWSD may resolicit the contract, award the contract to the appropriate/correct responsible proposer, or refer the matter to Office of Inspector General for further investigation.

Contractor Suspension, Disqualification or Referral for Debarment

- Disqualification means action taken by DWSD to bar a contractor from doing business with DWSD for a period of time not to exceed two years.
- Debarment means action taken by the City to exclude a person from acting as a contractor for a specified period of time.
- The Procurement Administrator, in consultation with the General Counsel, shall determine if due cause exists for suspension, disqualification of a vendor, or referral of matter to the City of Detroit Office of Inspector General (OIG) to investigate a vendor for possible debarment. Notice will be given to the contractor if the Procurement Administrator initiates a determination of cause for disqualification and or/referral to the OIG.

Equalization Credits

The following have been added as certified businesses to receive equalization credits:

Detroit Headquartered Business
Detroit Based Small Business
Detroit Based Micro Business

Update to Detroit Resident Business:

- Detroit resident business is a business where 51% of employees are Detroit residents OR a business that makes a binding commitment that 51% of employees performing work under a contract will be City residents.

Equalization Credits

- For purposes of evaluating bids, proposals and responses, an equalization credit will be awarded to Certified Detroit Businesses that respond to a solicitation, as follows:

	Bids/Proposals >\$25,000 <\$1 million	Bids/Proposals Equal to or Greater than \$1 million
Detroit Headquartered Business (DHB) A Detroit Business who meets qualifications of DBB who is headquartered in Detroit.	2%	1%
Detroit Based Business (DBB) A business located in Detroit for at least one taxable year.	1%	.05%
Detroit Based Small Business (DBSB) Business that qualifies as DBB and that meets requirements for DSB based on industry type.	2%	1%
Detroit Based Micro Business (DBMB) Must have annual gross receipts of \$1,000,000.00 or less, no more than 15 employees, and located in Detroit.	2%	1%
Detroit Resident Business (DRB) A business that has at least 4 employees of which at least 51% are Detroit residents.	3%	2%
Joint Venture Two firms that collaborate on a project of which one of the firms is a Detroit certified business and meets the requirements for JV as described in the City Ordinance.	9%	6%
Mentor Venture A joint venture of separate firms one of which is a Detroit certified business that has been created to perform a specific contract by written agreement and meets the criteria for MV as described in the City Ordinance.	8%	5%



Equalization Credits

“Stacking” Credits:

- Vendors can either get Detroit Headquartered OR Detroit Based (not both).
- Vendors can either get Detroit-based Small OR Detroit-based Micro (not both).
- Detroit Resident percentage can be stacked with others.
- Joint Ventures and Mentor Ventures cannot be stacked with any other certifications.

Examples:

- If a DHB + DBSB + DRB = Maximum of 7% credits for <\$1M; 4% credits for >\$1M
- If a DBB + DBMB + DRB = Maximum of 6% credits for <\$1M; 3.5% credits for >\$1M
- Joint Ventures and Mentor Ventures will receive more credits than the scenarios above

Applying Equalization Credits:

- Equalization credits are applied during the evaluation processes based upon the type of solicitation and shall be used to determine the lowest bidder or the most responsible proposer **but does not affect the actual bid or quote total.**



Equalization Credits

Applying Equalization Credits - Bid Types

- **Request For Bids (RFB):** For solicitations based on price only, equalization credits *reduce* the price during the bid evaluation process.

EXAMPLE: Detroit Resident Businesses (DRB) gain a 3% equalization credit. If a DRB bids \$1 per widget, for scoring process the bid is .97 cents per widget (3% lower).

DWSD lists a solicitation for water main replacement.

Business A - Bids \$1,000,000

Business B - Bids \$990,000

Business C - Bids \$980,000

Business B is a DRB, so it is scored as 3% less than the submitted amount. Although Business C provided the lowest bid, Business B is equated to \$960,300 because of the 3% equalization credit applied, making it the awarded bid.

Equalization Credits

Applying Equalization Credits - Bid Types

- **Requests For Proposals (RFP):** For solicitations based on qualifications, expertise and price, equalization credits are ***added to*** the total points scored.

EXAMPLE: Detroit Based Small Business (DBSB) gain a 2% equalization credit. If a DRB scores a 100 based on all criteria, the score is increased to 102 (2% higher).

DWSD lists a solicitation for water main replacement.

Business A – Scores 100

Business B – Scores 100

Business C – Scores 101

Business A is a DBSB, so it is scored as 2% more than the submitted amount. Although Business C has the highest score, Business A is equated to a score of 102 because of the 2% equalization credit applied, making it the awarded proposal.

Equalization Credits

Applying Equalization Credits - Bid Types

- **Request for Qualifications (RFQ):** For solicitations based on qualifications only, not price, equalization credits will be **added to** the total points scored.

EXAMPLE: Detroit Based Small Business (DBSB) gain a 2% equalization credit. If a DRB scores a 100 based on all criteria, the score is increased to 102 (2% higher).

DWSD lists a solicitation for water main replacement.

Business A – Scores 100

Business B – Scores 100

Business C – Scores 101

Business A is a DBSB, so it is scored as 2% more than the submitted amount. Although Business C has the highest score, Business A is equated to a score of 102 because of the 2% equalization credit applied, making it the awarded proposal.

Certified Detroit Businesses Development

- Where the Procurement Administrator, in collaboration with the head of the requesting Business Unit, has determined that three or more Certified Detroit Businesses are available and willing to provide the required construction, goods or services, those contracts may be identified for solicitation and awarded only to Certified Detroit Businesses.

EXAMPLE:

DWSD utilizes various types of piping to repair and main its assets. In an effort to acquire such supplies in a timely manner, a bid solicitation may be published exclusively for only Detroit Based Businesses to submit a bid.



Subcontractors

Bidders not doing 100% of work must identify subcontractors in their proposal

- The name of the subcontractor(s), the tasks they will be performing and the percentage of the tasks must be included in the bid or proposal.
- Subcontractors can be named on more than one business' bid.
For example, if five prime contractors are bidding on the same solicitation, a subcontractor can be listed on all five of the prime contractors' bids.

Task-Based Bidding

The Procurement Administrator, in consultation with Business Unit, may issue a solicitation identifying specific tasks for the scope of work and allow bidders/proposers to submit a response regarding one or more tasks.

- Example: Solicitation is for water main replacement, community outreach and restoration

Business A awarded bid for main replacement

Business B awarded bid for outreach

Business C awarded bid for restoration

OR

Business D awarded all the work

Questions?



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Thank You

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Thank You

DWSD Procurement is excited at the opportunity to possibly do business with you. We are here to encourage and guide you. If you have questions, please contact us at:



dwsd-vendor-outreach@detroitmi.gov



www.detroitmi.gov/dwsd

Click on “Doing Business with DWSD – Procurement”



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