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EXECUTIVE ORDER NO. 2007-1

**TO: ALL BOARDS, COMMISSIONS, DEPARTMENT DIRECTORS,
CITY COUNCIL MEMBERS, AND THE CITY CLERK**

**SUBJECT: UTILIZATION OF DETROIT RESIDENTS ON PUBLICLY-
FUNDED CONSTRUCTION PROJECTS**

DATE: SEPTEMBER 10, 2007

It is the policy of this Administration to encourage and maximize the utilization of Detroit residents on publicly-funded construction projects. An important component of the economic revitalization of Detroit is the employment of Detroit residents.

This Executive Order directs City departments and agencies to implement specific residency requirements on all construction projects funded, in whole or in part, by the City, and applies to those funded by state or federal funds to the extent permitted by law.

All City of Detroit project construction contracts shall provide that at least **fifty-one percent (51%)** of the workforce must be bona-fide Detroit residents. In addition, Detroit residents shall perform **fifty-one percent (51%)** of the hours worked on the project. Workforce and project hours shall include work performed by Detroit residents in the various job categories: officials and managers, supervisors and forepersons, professionals, technicians, sales workers, office and clerical, skilled trades, craft workers, operators, laborers, service workers, apprentices, and on-the-job training positions.

Failure to meet the Detroit resident workforce requirement, including project hours, will result in the following monthly financial penalties:

Financial Penalties

Detroit Resident Hours

45% - 50%
40% - 44%
30% - 39%
0% - 29%

Monthly Recruitment Fee


3%
7%
10%
15%

Developers, general contractors, prime contractors and sub-contractors are required to pass the requirements of this Executive Order down to all lower-tier contractors. However, it is the sole responsibility of the entity contracting with the City of Detroit to require all of their contractors to comply with the City of Detroit requirement to utilize fifty-one percent (51%) of Detroit residents on construction projects. In reaching the Detroit residency requirement, local union halls may be utilized, however, the City of Detroit Workforce Development Department and/or its designee shall be the first source utilized to recruit and hire Detroit residents, where Detroit residents are unavailable at the local union halls. **Failure to meet the requirements of this Executive Order will constitute a breach of contract and may result in immediate termination of the contract.**

At the option of the City of Detroit, any developer, general contractor, prime contractor, sub-contractor, or lower-tier contractor that is deficient in the utilization of Detroit residents may be barred from doing business with the City of Detroit for one (1) year. In addition, the City of Detroit reserves the right to re-bid the contract, in whole or in part, and/or hire its own workforce to complete the work.

All construction contracts, construction contract amendments, change orders, and extensions shall include the terms of this Executive Order. The Human Rights Department shall have the responsibility for preparing administrative guidelines, monitoring, and enforcing the provisions of this Executive Order.

This Executive Order supersedes Executive Order No. 22 issued by Mayor Coleman A. Young on August 29, 1983. This executive order is effective November 1, 2007.


Kwame M. Kilpatrick
Mayor