



Detroit Based Business Certification Descriptions

City of Detroit Sec. 18-5-1

Detroit Based Business (DBB)- a business which pays city income taxes on the business's net profits and pays city property taxes on a plant or office and equipment which are ordinarily required for the furnishing of the goods or the performance of the services required by the contract and referred to in the application for certification as a Detroit Based Business, or other real or personal property in the City equivalent in value to such plant or office and equipment for not less than one (1) taxable year immediately prior to the date of the application for certification as a Detroit based Business, which shall comply with the following requirements:

1. Provide verification that the firm has the physical resources including, but not limited to, inventory, equipment, vehicles, etc., as well as the ability to provide the services indicated in its application for certification at the City location;
2. Provide verification of the ability of the business to carry out the service or repair the product to be sold to the City at the City site;
3. Provide references, licenses, or other means of verification acceptable to the City that the services the firm offers to the City has been provided at the City for at least one (1) year prior to the date of application; and
4. Provide verification that the business has or can procure an adequate number of employees based at its City site to perform services indicated in the application.

Detroit Headquartered Business (DHB) - a business which:

1. Has received a certification as a Detroit Based Business.
2. Has an office within the City of Detroit that serves as the administrative center where the chief executive officer and highest level management staff perform at least fifty-one (51) percent of their management function; and
3. Has received a certification as a Detroit Headquartered Business.

Detroit Resident Business (DRB) - any business which employs a minimum of four (4) employees at least fifty-one (51) percent which are City residents.

Detroit Based Small Business (DSB) - any business which meets the definitions of Detroit based Business and small business concern as defined:

1. Has been in existence and operating for at least one (1) year prior to the date of the application for certification as a small business concern and; and
2. Does not meet the definition of a micro business concern as defined; and
3. Is one (1) of the following:



- a. A manufacturing business which, for the three (3) fiscal years preceding the date of application for certification, has provided full-time employment to not more than five hundred (500) persons; or
- b. A general construction business which, for the three (3) fiscal years preceding the date of application for certification, has average annual gross receipts of not more than twenty-eight million (\$28,000,000.00) dollars; or
- c. A specialty construction business whose average annual gross receipts have not exceeded twelve million (\$12,000,000.00) dollars in the three (3) fiscal years preceding the date of application for certification; or
- d. A wholesale business which, for the three (3) fiscal years preceding the date of application for certification, has provided full-time employment to not more than one hundred (100) persons; or
- e. A retail business which, for three (3) consecutive years preceding the date of application for certification, has average annual gross receipts of not more than six million (\$6,000,000.00) dollars; or
- f. A service business, other than professional, which for the three (3) fiscal years preceding the date of application for certification
- g. A professional services business, which for the three (3) fiscal years preceding the date of application for certification, has had average annual gross receipts of not more than six million (\$6,000,000.00) dollars.

Detroit Micro Business (DBMB)- A business which has average annual gross receipts of one million dollars (\$1,000,000.00) or less and no more than fifteen (15) employees. A business which is an affiliate or subsidiary of an entity that is not eligible for registration as a micro business concern shall not be registered as a micro business concern.

Minority- Owned Business Enterprise (MBE) - Must have at least 51% minority ownership.

Woman-Owned Business Enterprise (WBE) - Must have at least 51% woman ownership.

Joint Venture (JV)*- A joint venture of separate firms, one of which is a DBB, DSB, DRB, or DBMB, which has been created to perform a specific contract, and is evidenced by a written agreement which provides at a minimum that the DBB, DSB, DRB, or DBMB:

1. Is substantially included in all phases of the contract, including, but not limited to, bidding and staffing;
2. Provides at least fifty-one (51) percent of the total performance, responsibility, and project management of a specific job;
3. Receives at least fifty-one (51) percent of the total remuneration from a specific contract; and
4. Shares in profits and losses.



Mentor Venture (MV)*- A joint venture of separate firms, one of which is a DBB, DSB, DRB, or DBMB, which has been created to perform a specific contract, and is evidenced by a written agreement which provides at a minimum that the DBB, DSB, DRB, or DBMB:

1. Is substantially included in all phases of the contract including, but not limited to bidding and staffing.
2. Provides at least thirty (30) percent of the total performance, responsibility and project management of a specific job.
3. Received at least thirty (30) percent of the total remuneration from a specific contract; and
4. Shares in profits and losses.

*** JV and MV are currently governed by the Office of Contracting & Procurement**