



CITY OF DETROIT
FINANCE DEPARTMENT
PURCHASING DIVISION

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To: City of Detroit Contractors and Interested Parties
From: Andre DuPerry, Chief Procurement Officer
Date: May 5, 2011
Subject: Policy for Section 3 Covered Contracts

Please note the details below concerning Section 3 covered contracts:

Background:

Section 3 of the Housing and Urban Development Act of 1968; 12 USC Section 1701u, as amended ("Section 3"), requires that economic opportunities generated by U.S. Department of Housing and Urban Development financial assistance for housing and community development programs be directed to low and very low-income persons, particularly those who are recipients of government assistance for housing, and certain business concerns ("Section 3 Businesses" as defined by federal regulation) that provide economic opportunities to low and very low income persons.

(For more specific details see 24 CFR 135.1 et seq. or go to the U.S. Department of Housing and Urban Development website at www.hud.gov)

Change of Practice:

Effective July 1, 2011, the City of Detroit will enhance its communication of Section 3 compliance, expectations and contract management.

Enhanced Actions:

- Bid solicitation process to contain Section 3 requirements
- Bid evaluation to include submitted Section 3 compliance plan
- Vendor selection based on best value and Section 3 plan
- Vendor contract to include compliance requirements as stated in the Section 3 plan
- Vendor payment will include a "Hold Back" tied to Section 3 compliance
- Compliance officers will monitor Section 3 plan for compliance

Future Actions:

- Ongoing communication with the affected vendor community regarding Section 3 expectations
- Development of registry of Section 3 businesses

For Additional Information:

Please forward your contact information to section3inquiry@detroitmi.gov

Be sure to include the following: Company Name, Primary Service, Address, Contact Person's Name, Desk Phone, Cell Phone and E-Mail Address

Please direct any questions on this subject to the e-mail address above.

Andre DuPerry
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City of Detroit Purchasing Department