



The City of Chicago Framework for Equitable Social Services Contracting

The City of Chicago defines equity in social services contracting as both an outcome and a process that results in fair and just access to opportunity and resources to provide city social services through contracts.

Achieving this collective vision requires every member of civil society to do our part; city government can and should be among the leaders. We must:

- Build a culture of inclusion and diversity
- Deepen our spectrum of engagement
- Routinize equity impact analyses in our process and practice
- Invest in our healing
- Be accountable for equitable progress

To advance these principles and achieve better, more inclusive outcomes, the City of Chicago commits to conduct its delegate agency contracting in a manner which more effectively reaches historically underrepresented organizations doing impactful work, strengthens organizations indigenous to and led by individuals representing the communities they serve, and increases the resources available in high-need communities.

Commitment: The City of Chicago will consult and work with recipients of services, communities, delegate agencies, and stakeholders to improve the design and implementation of our delegate agency contracting process so that value is delivered in the most effective and equitable manner.

We will work to ensure that social value - the ongoing commitment to deliver improvements to the well-being of people and communities we serve - is delivered through the social services contracting process in a manner that reflects need and the nature of services as well as ensuring that opportunities for small and diverse organizations are not limited by policy requirements. Wherever and whenever possible, we will quantify the economic and social benefits delivered to our communities as a result of contracts being awarded under the guidance of this equitable contracting framework.

Goals: Through Chicago's equitable social services contracting framework, we will create social value in our contracts to help to make Chicago more equitable by distributing economic benefits throughout the communities that have traditionally been underrepresented. This will be achieved by:

1. **Reaching historically underrepresented organizations doing impactful work.** The City will re-structure its contracting system to simplify



burdensome processes, making improvements for small and large organizations alike, This will be done to ensure smaller non-profits are able to successfully compete for and manage contracts. We will intentionally adopt strategies in how we write programmatic scopes presented in RFPs, how we structure selection criteria determining how proposals will be evaluated and awarded, and how we manage contracts themselves, including payment, monitoring, and accountability. Many rules are driven by audit and compliance imperatives not set by the City. When constraints are outside the City's control, the City will advocate with other funding partners to restructure the regulatory and financial framework required by those partners, where feasible, to reduce barriers and promote the inclusion of small organizations situated to provide high-quality services that meet unique community needs.

2. **Strengthening organizations indigenous to and led by individuals representing communities they serve.** The City will support nonprofits, lifting up community-based organizations that are best able to respond nimbly and with culturally competency to community needs. Organizations physically located in the communities they serve, led and staffed by community residents, have intimate knowledge of community history and resources. Our equitable contracting framework will seek to better integrate these organizations into our service delivery portfolio and leverage their strengths to serve residents in need.

3. **Increasing resources in high-need communities.** The City will leverage its spending power to advance community wealth in the very communities where the need exists. Allocating public dollars to organizations in places where need is concentrated achieves greater value for money spent. It addresses the historic deprivation of opportunity in underrepresented communities that drives the systemic inequalities in social determinants of health that later give rise to many individual and family crises needing to be addressed. The City will use its resources to create community wealth through investing in community-based organizations, and require, where appropriate, local presence, local hiring, and investment with public dollars.

4. **Ensuring cultural competence.** The City will consider the capacity of organizations to serve the community in ways that are responsive to diversity in language, religion, race/ethnicity, gender, disability, age, sexual orientation, immigration status and community traditions in its contracting process.

5. **Being accountable for results.** A core principle of the City's Equity Framework is accountability. We will collect key metrics that establish a baseline, measure and ultimately advance this equitable contracting framework, and share those results publicly with the community.



Working with community, public agencies, and non-profit and philanthropic partners, we will seek to undertake contracting process and policy reforms and align technical assistance and support. We will develop a strategic plan for advancing the broader set of initiatives by April 2022, that defines the actions the City will prioritize to advance the Framework and deliver social value through our contracting activities.

The plan will examine and identify any inequities built-in to the City’s practices and policies related to allocating funding to service providers. It will also seek to lift barriers to create a more level playing field for equitable participation and inclusion in the City’s delegate agency contracting process.

Background and Context: The City of Chicago spends hundreds of millions of dollars annually on the provision of social services through seven city departments. Most of this work is delivered via contracts with nonprofit organizations. These organizations hire a range of caseworkers, therapists and organizers to support individuals in need. From youth services to interventions for victims of violence, these nonprofit organizations are delegated the responsibility to carry out important public services funded through city, state and federal resources. In Chicago, we thus refer to these service providers as “delegate agencies.”

The City follows a standard process for the expenditure of these delegate agency dollars. The standard process includes the release of a desired scope of services to be performed at a set dollar amount which is included in a Request for Proposals (RFP). The contract award is made to the best quality and value proposal submitted, determined by criteria explained in the RFP. The City sets important policy goals in how it structures requirements in the RFP and the criteria it sets for selecting delegate agencies. Often, these criteria are conditions of federal or state revenues which support the contracts.

Traditionally RFPs have been structured to award contracts based on a delivery strategy for the services requested in the scope. This has often been done without regard to whether the provider is community based or hires are from the community being served. Our assessment of the current array of service providers shows that many are headquartered in the central business district. While these providers may have a footprint in under-resourced communities through both satellite service locations and through sub-contracted providers, we are unable to get an actual accounting given current data limitations. Moreover, we know through our own analysis and stakeholder feedback, that the City’s contracting process unintentionally results in the underrepresentation of organizations led by the most impacted populations.

The importance of ensuring providers have a deep cultural understanding of the communities they serve, and the capacity to address need in the context of community culture is of increasing importance as we analyze the effectiveness of our existing delegate agency process and performance. Some City departments and many delegate agencies are at the forefront of



bringing these competencies into the work they undertake. We have an opportunity to learn from and advance these practices system wide.

Additionally, there is a growing acknowledgement that wealth escapes communities when providers from outside the neighborhood are paid to deliver services within. Based on a preliminary scan, in 13 of our City's 77 communities we do not have a single delegate agency contract with a group headquartered in those neighborhoods, largely of the west and south sides. These are missed opportunities to add value through the spending these contracts represent. Economically supporting organizations indigenous to neighborhoods both leverages their deeper understanding of the community and also puts dollars into circulation in those communities – through higher rates of hiring and the procurement of needed goods and services from local economies. Favoring neighborhood providers also generates community wealth building that can address the root causes of entrenched needs that our services are structured to address.