
CITY OF CHICAGO

RULES



MID-SIZED BUSINESS INITIATIVE (MBI) CONSTRUCTION PROGRAM

**UNDER 2-92-820 and 2-92-860
LAST UPDATED: February 21, 2017**



Mayor Rahm Emanuel

Chief Procurement Officer Jamie L. Rhee

BY AUTHORITY VESTED IN THE CHIEF PROCUREMENT OFFICER FOR THE DEPARTMENT OF PROCUREMENT SERVICES PURSUANT TO 2-92-820 and 2-92-860, THE FOLLOWING RULES REGARDING THE **MID-SIZED BUSINESS INITIATIVE (MBI) CONSTRUCTION PROGRAM** ARE ADOPTED HEREIN.

By Order of the Commissioner:

Signed: 
Chief Procurement Officer

Date: June 27, 2017

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Mayor Emanuel's Mid-Sized Business Initiative (MBI) is designed to increase the opportunities that mid-sized businesses have to do business with the City of Chicago. This policy statement for construction projects institutes a program for small to mid-sized local businesses to be exclusive bidders on certain construction projects.

I. Eligibility

A. To qualify for this construction program, a business must be a mid-sized local business enterprise as defined by the program rules. In making a determination whether a business meets that definition, the Chief Procurement Officer will consider, among other factors, whether the business:

- Has been in business for at least one (1) year;
- Will perform the majority of the work on the construction project with its own forces and/or subcontractors who are also small or mid-sized local business enterprises;
- Is independent, and not an affiliate or subsidiary of any other business;
- Has its principal place of business and the majority of its full-time, regular work force located in the Six-County region identified in Section 2-92-670, as evidenced by location of their employment as reported to federal and state taxing authorities; and
- Has gross receipts, averaged over the firm's previous five fiscal years, or number of employees, per pay period averaged over the past twelve months, that do not exceed **one and a half times** the size standards set forth in 13 C.F.R. Part 121.

B. Independence of a business is determined solely by the Chief Procurement Officer or his or her designee. Indicia of independence include the ability of the applicant to perform satisfactorily in its area(s) of specialty without substantial reliance upon finances, resources, bonding, expertise, staff, facilities, or equipment of another individual business. Recognition of the applicant as a separate and distinct entity by governmental taxing authorities is not dispositive of the applicant's assertion of independence. Independence will be evaluated as of the date the applicant was established through and including the date of application to the MBI.

C. MBI is race- and gender-neutral. Any small or mid-sized business that meets the definition of mid-sized local business enterprise is eligible to bid on an MBI construction contract. City-certified minority-owned business enterprises (MBEs) and women-owned business enterprises (WBEs), by definition in Section 2-92-670, must also be small local business enterprise as defined in the program rules for the Small Business Initiative (SBI) in order to be certified as an MBE or WBE, and therefore, they will be presumed to also meet the definition of a mid-sized business enterprise. The City also has an approved small business program for federally-funded contracts, the Disadvantaged Business Enterprise (DBE) program. DBEs certified by any member of the Illinois UCP are also presumed to meet the definition of a mid-sized business enterprise, but must show they are local in order to participate in the program. The Chief Procurement Officer will issue a form of affidavit for non-certified firms to attest that they meet the definition. The Chief Procurement Officer reserves the right to conduct investigations to determine the accuracy of the information provided in such affidavits.

II. Implementation

A. The Department of Procurement Services (DPS) will identify construction projects in the City's Buying Plan, updated each quarter, that will be offered exclusively to mid-sized local business enterprises through this MBI construction program. The projects will be sized appropriately for mid-sized businesses and typically will be limited to estimated project construction costs of \$10,000,000 or less.

B. For those bidders who have not already been determined to be mid-sized local business enterprises, the bid package for each MBI construction program procurement will contain the affidavit referred to in Section 1.C. above to be completed by the bidder.

C. Businesses that have been determined to be mid-sized local business enterprises will be required to submit annual affidavits confirming their continued compliance with the eligibility requirements of MBI. These firms will also be subject to an on-going responsibility to inform DPS of any changes in their status in the interim that might affect their compliance with MBI's requirements.

D. The bid package for MBI construction program procurements will also include reporting forms, which will be required to be completed by successful bidders at the conclusion of the contract which will report on job creation related to the performance of the City contract as well as other work force, bottom line and anecdotal evidence of the impact of the MBI construction program on the bidder. Failure to complete and submit reports as required may result in a bidder being declared ineligible for further participation in the MBI construction program.

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