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**MAYOR EMANUEL, DEPARTMENT OF PROCUREMENT SERVICES REPORT
MORE THAN \$400 MILLION IN 2016 CONTRACT PAYMENTS TO MINORITY, WOMEN
OWNED FIRMS**

City implements record number of reforms to promote business growth and create job opportunities throughout Chicago's diverse communities

During today's budget hearing, the Department of Procurement Services (DPS) announced that Minority-owned Business Enterprises (MBE) and Women-owned Business Enterprises (WBE) were paid more than \$400 million between January 2016 and September 2016. These payments complement the work the Mayor and DPS have accomplished this year by passing a number of reform ordinances to promote business and job growth in Chicago neighborhoods and make the City's procurement processes more transparent, honest and accountable to the public.

"The vendors that work on City contracts should reflect the diversity of the City itself, which is why we are committed to leveling the playing field so that local small, minority and women-owned businesses have opportunities to participate in contracting with the City of Chicago," said Mayor Emanuel. "I commend Jamie Rhee and the Department of Procurement Services for the positive results they have achieved by increasing minority participation goals and encouraging small, minority and women-owned firms to bid for City contracts."

The year to date M/WBE contract payments, made against contracts between January 2016 and September 2016, totaled \$1.11 billion. Of that amount, \$391 million, or 35 percent, went to MBEs and \$91.7 million, or eight percent, went to WBEs. African American firms were paid \$120.6 million, or 11 percent; Hispanic firms were paid \$182.5 million, or 16 percent; Asian American firms were paid \$112.7 million, or 10 percent; women-owned firms were paid \$66.8 million, or six percent.

"We believe that Chicago will reach its full potential when its diverse population is represented at the business table – when every hardworking citizen with the drive to succeed has a path to become an entrepreneur, and our doors are open to the entire

business community, whether they are just starting out, or already growing and succeeding,” said Chief Procurement Officer Jamie L. Rhee.

In addition, DPS and Mayor Emanuel have passed a variety of ordinances to increase minority participation. For example, an ordinance was passed providing a bid incentive of up to two percent for M/WBE utilization for contracts in which fewer than three M/WBEs are certified in the subcontracting areas. This encourages prime contractors to utilize M/WBEs above and beyond the times when goals are assigned.

DPS is responsible for over 3,000 new, renewed and ongoing certifications of MBEs, WBEs, Business Enterprises owned or operated by People with Disabilities (BEPD), Disadvantaged Business Enterprises (DBE) and Airport Concessions Disadvantaged Business Enterprises (ACDBE). In one of this year’s highlights, the city’s M/WBE Construction Program was extended until 2020 and expands participation goals for construction projects have increased to 26 percent minority-owned business (from 24 percent) and six percent women-owned business (from four percent).

Most recently, an ordinance was passed to create a new program for local, mid-sized and smaller construction businesses to be exclusive bidders on certain City construction projects. The Mid-sized Business Initiative (MBI) will allow small and mid-sized local construction firms to be exclusively eligible to bid on construction projects valued between \$3 million and \$10 million. This expands on the successful Small Business Initiative (SBI) 1 and 2 construction programs, which allow small local firms to be exclusively eligible to bid on projects valued at \$3 million or less. To date, 38 projects valued at over \$67 million dollars have been awarded exclusively to small business as part of the SBI program.

The ordinances passed this year are the latest in a series of efforts to improve the City’s procurement process, and are a result of the Mayor’s commitment to creating a competitive, fair, and transparent procurement services for the City of Chicago. Under his leadership, the City has created numerous programs to increase the pool of bidders on City contracts, incentivize the use of small minority and women-owned businesses, build capacity of local businesses, and encourage the employment of local residents.

In addition to the M/WBE Construction Program and MBI, the following ordinances were passed in 2016:

- Bid Incentive to Encourage M/WBE Utilization: Up to 2% to encourage M/WBE utilization for contracts in which fewer than three M/WBEs are certified in the subcontracting areas.
- Automatic Debarment Amendment: Automatic debarment of individuals and business entities for indictments or convictions involving fraud, bribery, or dishonesty, regardless of if the debarment was issued by the City or another sister agency.

- Multiple Contract Awards in a Municipal Code Amendment: Allows the City to enter into multiple contracts should performance under the low bidder's contract be insufficient for the City's needs.
- Maximum Number Of Contract Award Ordinance: Gives City the authority to limit the number of contracts awarded to a single contractor for specifications where the City is divided into multiple geographic locations.
- Ex-Offender Apprentice Utilization Future Bid Incentive Ordinance: Incentivizes prime contractors to sponsor ex-offenders into apprenticeship training programs and utilize their labor hours in the performance of a City contract.
- Veteran-Owned Bid Incentives: 5% bid incentive for small, local veteran-owned businesses as well as provides a bid incentive for primes to utilize veteran-owned subcontractors.
- Apprentice Utilization Bid Incentive Expansion: Adds apprentices who are graduates of high schools operated by CPS to the bid incentive.
- Equal Employment Opportunity Bid Incentive: Raises the maximum commitment to utilize minority and female journeyworkers, apprentices, and laborers from 50% and 10% to 70% and 15%, respectively, and provides for 150% credit for hours worked by residents of socio-economically disadvantaged areas.

To learn more about local, small M/WBE, and employment programs implemented under Mayor Emanuel,

visit https://www.cityofchicago.org/city/en/depts/dps/supp_info/process_improvements.html