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**CITY COUNCIL PASSES GRADUATION PHASE-OUT PROGRAM FOR MINORITY- AND
WOMEN-OWNED BUSINESSES**

Program Will Help Businesses Reach and Maintain Self-Sufficiency

The Chicago City Council today approved an ordinance that will create a graduation phase-out program for minority- and women-owned businesses. Mayor Emanuel announced this program in January, at a visit to the Chatham Business Association, along with Jamie Rhee, the Commissioner of the City's Department of Procurement. The program will help minority- and women-owned businesses "graduate" from the city's Minority and Women Business Enterprise ("MWBE") program and transition into the marketplace.

"Our goal is to help minority- and women-owned businesses grow to the point they can compete in the marketplace," said Mayor Emanuel. "This is a great step forward in this goal and will help us ensure that these companies have a smooth transition from the program into the open market. It's a win-win for everyone involved and will create important jobs and opportunities in our neighborhood."

A thriving minority- and women-owned business community is essential in a world-class city, and Chicago focuses on this business community through its MWBE Procurement program designed to meet annual goals for the participation of minority- and women-owned businesses in the City's construction and non-construction contracts.



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The MWBE program's goal is to help minority and women-owned businesses grow from small businesses in the program, to self-sustaining medium or large businesses that have succeeded beyond the program. After the MWBE businesses exceed certain size standards, they graduate from the MWBE program with the objective of continued growth and success, whether it in government contracting or the private sector marketplace.

"One of our top goals is making sure that minority- and women-owned businesses can grow and find a consistent, stable place in the market. This announcement will allow us to ensure that our companies are able to smoothly transition out of the program and into the marketplace, where they can continue their growth and expansion," said Rhee.

This program will apply retroactively to businesses that became established in calendar year 2011. All businesses that became "Established Businesses" (met graduation requirements) in 2011 are eligible to receive credit applied as follows: for the firm's first year as an Established Business, the firm will receive 75% credit for participation in City contracts, i.e., for each dollar (\$1.00) paid to such firms, the prime contractor will be credited for seventy-five cents (\$0.75) of participation. For the second year, as determined by the anniversary date of the firm becoming an Established Business, the firm will receive 50% credit, and then will receive 25% credit during the third year as determined by the anniversary date of the firm becoming an Established Business.

Established Businesses will also remain eligible for participation in the MBE/WBE program through the City's Diversity Credit Program for the same period of time and at the same levels of credit granted for work performed directly on City projects, which credit is further reduced to one dollar for every three spent, as required by City ordinance.

The goal is that phased-out graduation over three years after becoming Established Businesses will provide minority- and women-owned businesses the vital support, tools, and confidence necessary to achieve lasting success far exceeding the strictures of the City's MWBE program.

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