CITY OF CHICAGO

RULES

DIVERSITY CREDIT PROGRAM

UNDER 2-92-440(l), 2-92-530, 2-92-680, and 2-92-720

LAST UPDATED: August 2, 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 **2-92-440(l), 2-92-530, 2-92-680, and 2-92-720,** THE FOLLOWING RULES REGARDING THE **DIVERSITY CREDIT PROGRAM** ARE ADOPTED HEREIN.

By Order of the Commissioner:

Signed: _____ Date: 8/2/17
Chief Procurement Officer

Published: **August 2, 2017**
Effective: **August 2, 2017**

DEPARTMENT OF PROCUREMENT SERVICES

DIVERSITY CREDIT PROGRAM

Mayor Emanuel's Diversity Credit Program (Program) is designed to increase the participation of minority owned business enterprises (MBEs) and women-owned business enterprises (WBEs) in private sector (i.e., not funded by a governmental entity) contracts by making such participation eligible for credit toward MBE\WBE goals on City contracts. The Program is authorized by Chicago Municipal Code Sections 2-92-440(l), 2-92-530, 2-92-680, and 2-92-720(e) and will be administered by the Department of Procurement Services (DPS).

I. Program Elements:

A vendor that utilizes City-certified MBE or WBE firms on private sector contracts may receive credit for that utilization toward MBE\WBE participation goals on a contract awarded by the City's Department of Procurement Services (City Contract).

Eligibility for Credits

As provided in 2-92-440(l), 2-92-530, 2-92-680, and 2-92-720(e), credits will be awarded by the City's affirmative action advisory board established by Section 2-92-510 of the Municipal Code (Board) in accordance with the following criteria:

(a) Credits will be awarded only for utilization of MBEs and WBEs on private sector contracts which: (i) do not have affirmative action goals mandated by law or contract; or (ii) in the case of non-construction contracts only, do have such goals, and the goals have been exceeded by the vendor, but only to the extent that the goals have been exceeded.

(b) Credit shall be awarded only where the vendor can demonstrate that MBEs and WBEs performed a direct, commercially useful function on the private sector contract, working within the area of specialty of the MBE or WBE as certified by the City. Indirect participation, or participation by the MBE or WBE as a second-tier or lower tier subcontractor, is not eligible for credit.

(c) Credit will be granted only for work performed by MBEs and WBEs on private sector contracts after the date the DPS posts the forms for this Program on its website.

(d) One dollar of credit will be issued for every three dollars earned by the MBEs and WBEs on the private sector contract. Credits will be awarded only to the vendor or vendors responsible for directly utilizing the MBE or WBE. If there is more than one such vendor (e.g., the private sector contract was undertaken by a joint venture of two or more vendors), credits will be awarded ratably to avoid duplication.

(e) In order to qualify for the credit, the MBEs or WBEs for which the credit is being sought must be certified as such by the City at the time they are utilized on the private sector contract.

(f) Credits will expire one year after award by the Board.

Use of Credits

A vendor which has been awarded Program credits by the Board may indicate with its bid on a City Contract on forms to be provided by DPS that it intends to use those Program credits toward MBE\WBE participation goals on the City Contract, subject to the following:

(a) The MBEs or WBEs on which the credit is based must still be certified as such by the City at the time of the bid opening for the City Contract.

(b) The maximum amount of credit available on any given City Contract is five percent (5%) of the dollar value of that City Contract.

(c) Credits may only be used once.

II. Diversity Credit Program Forms:

DPS will post the necessary forms for the Program, both for applying for credit award from the Board and for using awarded credits toward City Contract goals, on the DPS website. The application for credit award may include:

- A sworn affidavit stating: (i) the vendor utilized MBEs and\or WBEs on specifically identified private sector contract(s), (ii) the private sector contract(s) either included no affirmative action goals or, in the case of non-construction contracts, the vendor's utilization exceeded those goals, and (iii) the amount of payments made to MBEs and WBEs on the private sector contract(s) and the amount of credit(s) the vendor is applying for.

- A notarized statement from the MBE/WBE firms verifying the dollar value of the payments made to them by the vendor on the private sector contract(s).

- A copy of the MBE's or WBE's letter of certification from the City.