



OFFICE OF THE MAYOR
CITY OF CHICAGO

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MAYOR EMANUEL ANNOUNCES THE ALLOCATION OF FUNDS FROM ALLIED WASTE SETTLEMENT WILL SUPPORT MINORITY AND WOMEN-OWNED BUSINESSES

Allocation Will Benefit All Chicagoans, Improve Minority and Women-Owned Business Enterprise Opportunity Throughout the City

Today, Mayor Emanuel announced the City's plans for the \$11 million received from a settlement of a dispute with Allied Waste Transportation, Inc. The entire \$11 million will be used exclusively for the development and improved administration of the City's Minority-Owned and Women-Owned Businesses (M/WBE) programs and the encouragement of M/WBE participation.

"I am deeply committed to fostering opportunities for minority- and women-owned businesses throughout Chicago," said Mayor Emanuel. "It is fitting that we use this entire settlement to improve our programs for these businesses and work actively to promote participation throughout the city."

The City of Chicago's Department of Law announced on January 19, 2012, that the City had settled a dispute with Allied Waste over the participation of M/WBEs in contracts between Allied Waste and the City.

"Under the leadership of Mayor Emanuel, we are engaged in a thorough analysis of the MBE/WBE Program," said Jamie Rhee, Commissioner of the Department of Procurement Services (DPS). "This analysis is already resulting in the positive transformation of City procurement. The settlement funds from Allied Waste will enable us to accelerate the



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changes already underway in the M/WBE Program, as well as dedicate additional resources to other aspects of reform.”

With respect to the M/WBE Program, DPS has taken a number of initiatives to strengthen oversight and compliance by both vendors and City personnel. The City has established online contract control tools, and now prime contractors are required to report all M/WBE subcontractor utilization and payments online. All M/WBE subcontractors are required to verify that their reported payment amounts and percentages of work performed are accurate. The online tracking tool also allows City personnel to monitor real-time M/WBE utilization for comparison with the utilization percentages proposed in the prime contractor’s original contract compliance plan.

Other compliance initiatives being implemented by DPS include:

- Unannounced visits to the City’s work sites to ensure M/WBE compliance;
- Strengthening the M/WBE certification regulations and special conditions that govern contract compliance. Changes include mirroring the disclosure requirements for background information contained in the City’s Economic Disclosure Statement form, which is required for all City contracts; and
- Training classes for prime contractors and subcontractors on compliance with City regulations and policies, including stressing that vendors are required to report suspected fraud or wrongdoing to the City;
- Education of City staff concerning the obligations contained in the City’s recently revised special conditions governing utilization of M/WBE subs, and the City’s new on-line tracking system;
- Personnel from the Office of the Inspector General and the U.S. Department of Justice conducting training sessions for City staff;



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- Implementing training on a recently developed M/WBE Contract Monitoring and Compliance Manual. This training will be mandatory for all City staff responsible for contract monitoring;
- Orientation training for new M/WBEs on issues such as the prohibition on brokers, performing a commercially useful function, and penalties face for violating the City's M/WBE program policies, rules and regulations;
- Increasing the budgeted positions for DPS' contract monitoring division.

"The additional funding from the settlement enables us to implement these reforms more rapidly and thoroughly," said Rhee.

These initiatives follow a number of announcements by Mayor Emanuel designed to expand opportunities for small, women and minority owned businesses, many formulated in conjunction with the Mayor's Supplier Diversity Taskforce, chaired by John Rogers, CEO of Ariel Investment. These announcements include The Small Business Initiative; the Phased Graduation Program; Local Manufacturing Preference; Expansion of Local Business Preference; The Diversity Credit Program; and the UIC Forum Vendor Fair co-hosted with Cook County on March 2.

Several industry leaders have applauded the efforts of the Mayor to continue to increase opportunities and provide education for prime vendors and subcontractors.

"We celebrate the Mayor's decision to use the entire settlement to promote M/WBEs," said Hedy Ratner, Co-President of Women's Business Development Center.

"We congratulate Mayor Emanuel on the decision to increase compliance and opportunity throughout the M/WBE program," said Edward McKinnie, President of Black Contractor's United.

"As more public works projects continue to be planned and go out to bid, it is critical to ensure that compliance is an elevated priority, especially when it comes to ensuring



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minority participation with qualified and capable companies. We need to continue to move forward on these important issues and we look forward to working with Mayor Emanuel in the future.” said Jorge Perez, Executive Director of the Hispanic American Construction Industry Association (HACIA).

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