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**MAYOR LIGHTFOOT ANNOUNCES TRANSFORMATIVE BUSINESS INITIATIVES
TO SUPPORT SMALL, MINORITY- AND WOMEN-OWNED CONTRACTORS**

Three separate initiatives have been designed to offer capital access, improve payment speed, and increase transparency around the utilization of diverse vendors doing business with the City

CHICAGO – In an effort to further support diverse businesses in Chicago, Mayor Lori E. Lightfoot today announced a series of initiatives to create a more level playing field for potential and current suppliers of goods and services to the City. These initiatives include the first-of-its-kind City of Chicago Vendor Impact Fund, which aims to offer capital access to diverse contractors and vendors; the Prompt Payment Working Group, which will ensure that City vendors are paid in an efficient and timely manner for their services; and an Executive Order issued by Mayor Lightfoot, requiring enhanced reporting on spending with local certified firms and on business diversity programs.

“By creating a more equitable environment to do business with the City of Chicago, we are better helping our communities and delivering resources to our residents and entrepreneurs who rely on City services every day,” said Mayor Lightfoot. “All these steps build on the many actions we have taken to support our local small- and mid-sized businesses, particularly those who have historically been left out and left behind. As we work to put COVID-19 behind us, it is more important than ever to leverage the vast power of City government to expand opportunity, unlock homegrown talent, and help our great city become more inclusive and more successful.”

“As a member of the City’s Affirmative Action Advisory Board and a small business owner, I applaud the steps that are being taken by Mayor Lightfoot and her team,” said Nosa Ehimwenman, President of Bowa Construction, “Collectively these efforts help to open doors to our diverse business community and signal a culture of equity, inclusion and change.”

Vendor Impact Fund: The first of these initiatives is the establishment of the new \$25 million City of Chicago Vendor Impact Fund, a program designed to combat



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long-standing structural inequities and give qualified firms better access to affordable financing. Through this program, certified vendors or contractors with the City of Chicago – including Minority-Owned Business Enterprises (MBE), Women-Owned Business Enterprises (WBE), Business Enterprises Owned by People with Disabilities (BEPD) and Veteran-Owned Business Enterprises (VBE) – will receive preference to access SBA Paycheck Protection Program (PPP) and SBA 7(a) loans for project financing, working capital, and capital investments. PPP loans are up to 100% forgivable.

The Vendor Impact Fund is part of Mayor Lightfoot’s commitment to supporting small, local, and minority- and women-owned businesses throughout the COVID-19 pandemic and into the future. The program is seeded through \$10 million from Community Reinvestment Fund (CRF) and \$14.3 million from Goldman Sachs with up to \$1.2 million contributed by the City of Chicago to provide technical assistance and help facilitate the creation of the program. Technical assistance to help businesses navigate the PPP application and loan forgiveness process will be provided initially by InUrban Strategies, LLC and Hire360, with additional technical assistance providers for PPP and 7(a) to be named later. The \$25 million fund will allow eligible applicants to access Paycheck Protection Program loans and SBA 7(a) eligible loans issued by CRF. The application process is open now. For PPP, applications must be completed by March 31, 2021, which is the federal deadline for this program. In order to guarantee that funds will be received, eligible vendors and contractors should submit their PPP application by March 19, 2021. There is no current deadline to apply for a 7(a) loan. Eligible vendors and contractors can apply at www.ChicagoImpactFund.com.

“This expansion of our small business relief partnership with Mayor Lightfoot and the Community Reinvestment Fund is grounded in the reality that our communities, and in particular Black neighborhoods, still face immense challenges and access to capital is an important part of the solution,” says Margaret Anadu, Global Head of Sustainability and Impact for Goldman Sachs Asset Management. “Immediate, collective action such as this is necessary for us to emerge from this pandemic with the businesses and jobs that have sustained Chicago’s vibrancy for decades.”

“Chicago’s diverse small business ecosystem is an engine for growth and community wealth building, but unfortunately there are systemic inequities that prevent small business owners from making an even bigger economic contribution,” said Keith Rachev, Chief Impact Officer at CRF. “The Vendor Impact Fund will be an important tool for helping the city’s vendors and contractors access sustainable small business financing to grow, hire and thrive.”



Prompt Payment Working Group: The second initiative is the establishment of the Prompt Payment Working Group, to ensure that City vendors are paid in an efficient and timely manner for all services rendered and goods delivered. Most importantly for our small, mid-sized, minority- and women-owned businesses, prompt payment is essential to encouraging participation on City projects and to continued business growth.

The Prompt Payment Working Group, which includes a cross-section of City departments, including the City's Department of Finance (DOF), Department of Law (DOL), Department of Procurement Services (DPS) and key infrastructure departments, will build on critical work that is already underway. The City has launched a pilot program to review existing processes and policies for the City's four major infrastructure departments that manage construction contracts with the goal of reducing inefficiencies that affect and contribute to increased processing times. Preliminary work identified bottlenecks in two areas, which have already resulted in the implementation of more efficient processes and more frequent payment distributions.

The Prompt Payment Working Group will also examine opportunities for upfront or other alternative payment options, review enhancements to existing payment systems, and analyze and develop process improvements to help track and monitor invoices and further streamline payments. The Working Group will report its recommendations to Mayor Lightfoot no later than June 30, 2021.

"For too long, minority-owned businesses—specifically black-owned businesses—have been taken for granted. The initiatives being announced today provide a level playing field and show how important these partners are to this City," said 17th Ward Alderman David Moore. "Under the leadership of Mayor Lightfoot, we want to ensure that our vendors and contractors have equity and accountable partners in building a more diverse Chicago."

Executive Order Enhancing Reporting Requirements: In addition to these initiatives that offer immediate benefit to the vendor community, the City will also be implementing enhanced reporting measures to understand how diverse firms are being utilized on both City and non-City contracts. An Executive Order was issued today, requiring enhanced reporting on spending with local certified firms and on business diversity programs.

The Executive Order will require contractors to submit projections as to when and to what extent certified firms are expected to be used on contracts that contain certified firm participation goals. To this end, contractors will be required to submit quarterly reports on the usage of certified firms throughout the duration of the



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contract, comparing actual usage with projected usage, and including an explanation and recovery plan if participation shortfalls are trending.

In addition, contractors that have agreements with the City will be required to submit annual reports that contain a description of their Business Diversity Program, or report the lack thereof, and include any available spending information for goods and services from minority- and women-owned firms on non-City work during the prior calendar year.

“This type of fundamental shift in how we work with our vendor and contractor partners is essential to empowering entrepreneurship here in Chicago,” said 36th Ward Alderman Gilbert Villegas. “I applaud the Mayor on her leadership and promoting inclusivity in the City’s procurement practices and look forward to continuing that work in the City Council.”

The series of initiatives announced today underscore Mayor Lightfoot’s unwavering commitment to diversity, inclusion, and transparency which extends to the City’s purchasing and procurement practices. As Chicago embarks on major structural improvements, including its historically overlooked infrastructure, it is critical that these opportunities be shared by all, especially small, minority- and women-owned businesses.

“The Mayor’s Executive Order, the Vendor Impact Fund, and the very important, Prompt Payment Initiative are major steps that will move us forward and remove challenges and barriers minority and women business owners face, more than most,” said Emilia DiMenco, President and Chief Executive Officer at Women’s Business Development Center, “This significant announcement will create a more level playing field, equal access, and thus greater opportunity for minority and women owned small businesses to do profitable business with this great City.”

“Business in our city should reflect the composition of its population and makeup,” said Charles Smith, Board Chairman of the Business Leadership Council, “Black and other minority owned businesses provide jobs, support growth of other local companies, give back to our respective communities and inspire our youth. Finding ways to be more inclusive makes Chicago a better, and stronger, City.”

“We are delighted with the prospects of the Vendor Impact Fund. The realities of managing cash flow on construction projects for a minority contractor are daunting,” said Jorge Perez, Executive Director of the Hispanic American Construction Industry Association, “Finally, there will now be an option for project financing and working capital that will allow professional service firms and



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contractors to enhance the capacity. Add to it the prompt payment initiative and that's a powerful 1 -2 combo.”

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