



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**CITY OF CHICAGO LAUNCHES SEARCH FOR THIRD-PARTY ADMINISTRATOR
TO MANAGE 'PROMPT PAYMENT' PROGRAM**

*City issues Request for Proposals (RFP) in new initiative to improve services to
contractors and ensure timely payments to Chicago's vendor community*

CHICAGO — Today, Mayor Lori E. Lightfoot, along with the Department of Finance (DOF), and the Department of Procurement Services (DPS), announced a search for a third-party administrator to manage invoice payments and related services for the City's vendors and contractors as an important step in the City's continuing effort to ensure that vendors and service-providers are paid promptly.

"We are committed to ensuring that our vendors are paid in an efficient and timely manner for all services rendered and goods delivered," said Mayor Lightfoot. "For our small, mid-sized, minority- and women-owned businesses, especially, prompt payment is essential to encouraging participation on City projects, continued business growth, and future partnership opportunities."

The selected third-party administrator will be tasked with implementing more efficient processes and more frequent check distributions. As part of the City's overall prompt payment initiative, vendors and contractors will see opportunities for alternative payment options, enhancements to existing payment systems, and process improvements to help track and monitor invoices and further streamline payments.

"Expedited payments will improve the capacity of businesses to participate in the City's construction bids and contracts," said City Comptroller Reshma Soni. "Quicker payments also help to address a barrier often faced by entities with limited access to affordable capital."

This request for proposals for a third-party administrator to manage invoice payment services is part of a broader effort led by DOF to improve the payment process to make doing business with the City more accessible for small, mid-sized, minority- and women-owned businesses. Over the past year the Department of Finance, along with other City departments, reviewed existing processes within the



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City's four major infrastructure departments that manage construction contracts. They identified redundancies that caused payment delays, reviewed existing retainage policies, evaluated contractual payment terms for opportunities to include compressed timelines for invoice submissions, and identified areas that contributed to increased processing times. This work will be used to improve City payment policies and processes going forward.

"The City and its prime contractors have an obligation to provide an inclusive environment for participation in contracting opportunities," said City of Chicago Chief Procurement Officer Aileen Velazquez. "The Prompt Payment Program is critical to ensuring our accountability to small and diverse firms in their efforts to build and maintain financial health."

The deadline to submit RFPs is Sept. 30, 2022, at 4 p.m. CST. Vendors who are interested in responding to a solicitation or bid must do so via the City's [eProcurement system](#) but are first required to register with the City of Chicago Department of Procurement Services iSupplier portal. For reference, use Solicitation 8987; Specification number 1234912 Third Party Administrator Construction Disbursements Management for Prompt Payment.

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