

Good Morning. I would like to thank Mayor Lightfoot, Chairman Dowell, Vice Chairman Silverstein and the members of the City Council for allowing me to present on behalf of the Department of Procurement Services. My name is Aileen Velazquez, and I currently serve as the City's Acting Chief Procurement Officer.

I am honored by my recent appointment. Having extensive experience in both the private and public sectors, my goal is to apply best practices from both to best serve our residents. I come to the table with over 20 years of experience in contracting services, and I plan on building on the department's past successes and creating even greater efficiencies and cost saving measures while providing expanded opportunities for small, minority and women-owned businesses to participate in City contracts.

The Department of Procurement Services team has a key role to ensure both best value for our residents and opportunity for all Chicago's firms to participate in the economic generator that is government contracting. It takes dedicated partnership to ensure that we procure the best goods and services needed for our residents at the most competitive price. With procurement's efforts to facilitate solutions to our City's challenges, roads are built and snow is cleared. IT software is developed, and sanitation services are improved. There's an endless list of all the ways procurement impacts our residents' lives to ensure their health and safety, and this happens because of our hardworking and dedicated team and the support of our elected officials and stakeholders.

Whereas our User Departments determine the needs and requirements that are essential to keep City operations at peak performance levels, the Department of Procurement Services conveys those needs to the marketplace and ensures that there is fair and adequate competition, thus increasing our vendor pool and lowering prices for taxpayers. We work with our User Departments to ensure that these vital services are delivered back to our communities as efficiently, quickly and cost effectively as possible by applying best practices and lessons learned in strategic sourcing, automation and IT infrastructure improvements.

Recognizing the economic impact of City contracting, the Department of Procurement Services places the highest priority on the diversity of businesses and workforce participating on City contracts. Comprehensive and consistent outreach, education, and support for diverse businesses and proactive workforce partnerships, paired with strong enforcement of contract goals and commitments, are foundational to our operations.

I firmly support modernizing our MWBE program, which will better align our operations with developments seen in other major cities and give us additional tools in our constant drive toward improvement. As you know, the City recently completed a disparity study

that allowed the City to reauthorize its MWBE Construction program. This study, in partnership with the Department of Law, was conducted by leading national expert Colette Holt. The study reviewed the City's current program and made recommendations for initiatives and enhancements. It examined additional factors necessary for entrepreneurial success, such as access to business capital, bonding, and other resources.

In line with the recommendations of the disparity study, this budget includes an increase in staffing for activities related to serving this business community, including the review and evaluation of current program elements and making improvements, addressing bottlenecks and delays in program administration, conducting increased outreach and communications, and improving overall program efficiency, transparency, and accountability. These additional resources will be housed in the new Office of Contracting Equity within the department, which will focus on these important improvements to the MWBE program, while also serving as an advocate for MWBEs and small firms and facilitating business assistance and economic development initiatives.

In terms of current overall utilization, the City tracks payments made to MBE and WBE firms and confirmed by subcontractors. From January to July 2021, the City made \$590.3 million in payments to prime contractors. 42% of these payments went to MBE and WBE firms. \$195.5 million, or 33%, was paid to MBEs and \$53.2 million, or 9%, went to WBE firms. By ethnicity, certified African American firms were paid \$74.2 million, or 13%; Hispanic firms were paid \$82.6 million, or 14%; Asian American firms were paid \$54.0 million, or 9%; and non-minority women-owned firms were paid \$37.9 million, or 6%.

We are committed to providing competitive, efficient, and transparent procurement services for the City of Chicago. We understand the critical importance of ensuring that the vendors that participate in City work reflect our rich diversity and we will strive to advance equity and inclusion in order to eliminate barriers and create pathways for success. We welcome the opportunity to work with all of you on creating opportunities for Chicago's vendor community and the City's residents, and I look forward to getting to know all of you further and partnering with you on these vital efforts.

Respectfully Submitted,

Aileen Velazquez, Acting Chief Procurement Officer, City of Chicago