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CITY OF CHICAGO

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**MAYOR EMANUEL, CHAIRMAN AUSTIN INTRODUCE MULTIPLE ORDINANCES  
TO IMPROVE PROCUREMENT PROCESSES**

*Measure to create opportunities for small, mid-sized, minority and women owned businesses to build capacity*

Mayor Rahm Emanuel and Budget Chairman Carrie Austin today introduced a number of ordinances geared towards streamlining procurement processes and creating opportunities for local businesses to participate in contracting opportunities with the City of Chicago.

The first of the ordinances, co-sponsored by Chairman Austin, calls on the Department of Procurement Services (DPS) to create a new program for local, mid-sized and smaller construction businesses to be exclusive bidders on certain City construction projects. The Mid-sized Business Initiative (MBI) will allow small and mid-sized local construction firms to be exclusively eligible to bid on construction projects valued between \$3 million and \$10 million.

"The MBI program reflects the City's continued support of small and mid-sized businesses," said Mayor Rahm Emanuel. "This program ensures that they can continue to grow and gain more experience as prime contractors."

The Mid-sized Business Initiative construction program, a race- and gender-neutral program, expands on the Small Business Initiative (SBI) 1 and 2 construction programs, which allow small local firms to be exclusively eligible to bid on projects valued at \$3 million or less. Eligible participants in the MBI construction program may exceed the SBA size standards for small businesses, but cannot exceed one and a half times those size standards.

"Establishing a pipeline ensures Chicago's diverse population is represented at the business table," said Chief Procurement Officer Jamie Rhee, "Our doors are open to the entire business community, whether they are just starting out, or already growing, or successful."

"Contractors doing business with the City should represent the diversity of the City," said Chairman Austin. "These measures will ensure that small businesses and businesses owned by minorities and women have ample opportunities to compete and win City contracts."

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SBI was established October 2011, and designed to encourage small businesses to participate in City-funded construction projects, under \$3 million in total cost. In August 2013, after response to feedback from the vendor community, the program was divided into two tiers: SBI 1, projects that are \$3 million or less and SBI 2, projects that are \$2 million in total cost or less, open to local firms that are one-half the SBA size standards. This tier system establishes standards that allow greater opportunities for smaller businesses. To date, 38 projects valued at over \$67 million dollars have been awarded to small business as prime contractors.

In addition to the introduction of MBI, other ordinances were introduced, including:

- An ordinance, co-sponsored by Chairman Austin, providing a bid incentive of up to two percent to encourage Minority-owned Business Enterprise and Women-owned Business Enterprise (M/WBE) utilization for contracts in which fewer than three M/WBEs are certified in the subcontracting areas.
- A Municipal Code amendment providing for the automatic debarment of individuals and business entities for indictments or convictions involving fraud, bribery, or dishonesty, regardless of if the debarment was issued by the City or another government entity. This is consistent with the Procurement Reform Task Force's recommendation that the City and sister agencies seek to establish reciprocal debarment with one another.
- A Municipal Code amendment to give the City the ability to enter into multiple contracts should performance under the low bidder's contract be insufficient for the City's needs, such as in times of natural disasters. This avoids waste by not having to bid the contract multiple times or issue emergency bids.
- An ordinance giving the City the authority to limit the number of contracts awarded to a single contractor for specifications where the City is divided into multiple geographic locations. This measure would protect the City from contractors that overextend themselves.

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