



OFFICE OF THE MAYOR  
CITY OF CHICAGO

**FOR IMMEDIATE RELEASE**

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**CITY COUNCIL PASSES ORDINANCE INTRODUCED BY MAYOR EMANUEL, ALD. AUSTIN  
AND ALD. MARY O'CONNOR REQUIRING THAT NEIGHBORHOOD RESIDENTS BE  
HIRED FOR CONSTRUCTION PROJECTS**

*At Least 7.5% of Labor to Come From Construction Area for Projects  
Worth More Than \$100,000*

Today City Council approved an ordinance that requires neighborhood residents to be hired for at least 7.5 percent of labor hours on city funded construction contracts worth more than \$100,000, ensuring that residents benefit from the jobs and economic impact from City construction projects in their communities.

"People in communities across Chicago benefit from the construction projects and infrastructure improvements, and now they will benefit from the jobs and economic impact of these projects," said Mayor Emanuel. "From Rogers Park to Roseland, if a city construction project is taking place, people from the community will have the opportunity to work on that project."

Construction contracts exceeding \$100,000 will include a defined construction city funded project area from which local residents will need to be hired for at least 7.5 percent of all labor hours. In the event the contractor fails to meet this obligation, and has not demonstrated good faith efforts to achieve the project area resident requirement, monetary damages will be assessed against the contractor.

"It is crucial that local residents have an opportunity to work on these important projects and participate directly in the building and renewal of their neighborhoods and communities," said Ald. Carrie Austin (34<sup>th</sup>), Chairman of the Budget Committee.

"This ordinance will provide greater opportunity for our out of work tradesmen and women to find employment rebuilding the neighborhoods in which they live," said Ald. Mary O'Connor, 41st Ward. "Residents will see their tax dollars reinvested in the City and the people who call it home."

The City of Chicago already has a requirement than 50 percent of labor hours on a contract be filled by residents of Chicago. The proposed 7.5 percent would also count towards the 50 percent requirement.

This proposed ordinance is the latest in a series of efforts made by Mayor Emanuel to increase opportunities for local residents and MBEs/WBEs. Additional announcements have included the MBE/WBE Mentor Protégé Program, Diversity Business Initiative, the Small Business Initiative, and the Graduation Phase-out Program for MBEs/WBEs.

- The Mentor Protégé Program is designed to foster improved economic opportunity for MBE and WBE businesses throughout Chicago by offering five percentage points of MBE or WBE credit for contractors that agree to take on a mentor/protégé relationship with an MBE or WBE firm.
- The Graduation Phase-out Program allows M/WBEs that have exceeded the program's size standards to continue to participate for a period of three years to gradually exit the program, with 75% credit allowed in year one, 50% in year two, and 25% in year three.
- The Small Business Initiative encourages small businesses to participate in City-funded construction projects. The program is exclusive to small businesses and is limited to construction projects that are under \$3 million in total cost.
- The Diversity Credit Program allows private sector firms who also bid on public work to obtain up to five percent M/WBE utilization credit on a City contract for work performed by a certified firm on one or more of the prime's private sector contracts.
- The Department of Procurement Services recently held a construction summit with City Departments, Sister Agencies and other government entities to provide information to construction companies, suppliers and manufacturers gathered information on hundreds of construction projects due to be bid in 2013. These projects are expected to create thousands of jobs.

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