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CITY OF CHICAGO

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**MAYOR RAHM EMANUEL AND THE DEPARTMENT OF PROCUREMENT SERVICES ANNOUNCE  
37% OF ALL CONTRACT SPEND IN 2013 WENT TO MBE/WBE FIRMS**

Mayor Rahm Emanuel and the Department of Procurement Services (DPS) today announced that the City has exceeded its goals for the percentage of total dollars spent with MBE/WBE companies. The overall goal is 30 percent and the City announced today that 37 percent of all contract payments in 2013 went to MBE/WBE firms. The Mayor and DPS also announced the expansion of the Small Business Initiative Program to provide even more opportunities for small local businesses.

"Businesses that do work for the City should reflect the diversity of Chicago," said Mayor Emanuel. "We are pleased that in 2013, nearly four out of every 10 dollars paid out by the City went to minority and women-owned businesses."

As was announced in 2012, for the first time, all businesses contracting with the City report to DPS the actual dollars paid to them, which enables a more accurate reflection of the impact of MBE/WBE firms. From January to September 2013, the City made \$504 million in payments on city contracts, of which 37 percent went to MBE/WBE firms. These payment amounts have been confirmed by MBE/WBE firms reporting back to the City.

"Our budget is a way to connect our vision with our plan for the city year by year," said Budget Chairman Carrie Austin, 34<sup>th</sup> Ward. "I'm extremely pleased with Jamie Rhee and the Department of Procurement Services for all they do to expand opportunities for minority and women owned businesses."

"This news represents a giant leap forward for economic empowerment," said Alderman Mary O'Connor, 41<sup>st</sup> Ward. "It has been an honor to work with Mayor Emanuel and CPO Jamie Rhee on bringing this unprecedented level of transparency to the MBE/WBE program. I'm very pleased that our women and minority owned companies are beginning to thrive. To have 37 percent of contract

dollars paid to these businesses is a remarkable achievement and I will continue to work with the Mayor and Procurement on further expanding these economic opportunities to this historically underrepresented group.”

Now that DPS is reporting actual confirmed payments, next year they will be able to provide a year to year comparison. The final contract values from 2013 are currently available and can be compared to the final contract values from 2012. As a point of comparison, since January 2013, projects with final contract values totaling \$166.4 million have been closed out. Of the total payments reported paid by minority and women businesses, 30 percent went to MBEs and 7 percent to WBEs (in 2012, 21 percent went to MBEs and 5 percent went to WBEs). The following numbers represent actual dollars reported as paid to MBE/WBE firms on those contracts that have been closed out: African American firms reported \$19.9 million or 12 percent (12 percent in 2012); Hispanics reported \$24.7 million or 15 percent (8 percent in 2012); Asian Americans reported \$4.8 million or 3 percent (1 percent in 2012) and non-minority women reported \$10.9 million or 7 percent (5 percent in 2012).

### **Small Business Initiative Expansion**

Also announced today was the expansion of the Small Business Initiative. This will expand opportunities for small local businesses to provide a level playing field for small businesses to compete in the construction realm, an area in which larger companies are often at an advantage. The program is race and gender neutral, is exclusive to small businesses and is limited to construction projects that are under a predetermined dollar amount.

This year, in response to feedback from the small business community, the program has been divided into two tiers, SBI I and SBI II. This tiered system establishes standards that provide even greater opportunities for smaller businesses to compete for work. The first tier, SBI I, is for projects that are \$3 million in total cost or less, and can be bid by firms that do not exceed the relevant SBA size standards. The second tier, SBI II, is for projects that are \$2 million or less in total cost or less and can be bid on by firms that do not exceed one half of the relevant SBA size standards. Since the program began in 2012, DPS has advertised 19 projects and an additional three projects will be advertised before the end of the year.

To learn more about these programs all contractors interested are encouraged to visit <http://www.cityofchicago.org/procurement>.

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