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MAYOR LIGHTFOOT EXPANDS 50/50 PILOT PROGRAM PROVIDING 50% PAYMENT TO QUALIFIED CONTRACTORS ON AN EXPEDITED TIMEFRAME

The pilot program helps to close payment gaps for city contractors engaged in construction projects for three City of Chicago infrastructure departments

CHICAGO — Today, Mayor Lori E. Lightfoot, along with the Department of Finance (DOF), announced the expansion of the 50/50 pilot program to include three city departments in the ongoing commitment to ensure that City contractors are paid quickly and efficiently. The 50/50 program was first launched during the construction of Terminal 5 at O'Hare Airport through the Department of Aviation (CDA). The program has paid out more than \$18M in expedited payments. Now, with the expansion of the 50/50 pilot program, the City is extending the opportunity to another 22 construction contracts with a combined value of \$615M through the Department of Transportation (CDOT) and the Department of Water Management (DWM).

“One of our highest priorities is ensuring that the contractors, who are dedicated to enhancing our city’s infrastructure, are paid quickly for their hard work,” said Mayor Lightfoot. “The success of the 50/50 pilot program at O’Hare has proven that we can deliver on this promise, which is why we’re excited to expand the initiative to offer more support to our business community and help them thrive.”

Under the 50/50 program, qualified vendors will no longer have to submit the entirety of the required paperwork prior to getting paid for verified and properly completed work. The program allows contractors to receive half of their payment within 30 days of the City’s receipt of the certified pay estimate and subcontractor payment form, enabling them, in turn, to quickly address project-related financial obligations — specifically, paying smaller vendors and subcontractors who rely on the payments to keep their businesses going.

“Cash flow is vital for businesses to grow and succeed,” said Comptroller Reshma Soni. “Streamlining the cash flow process through the 50/50 pilot program will provide opportunities for more vendors to do business with the City.”



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The contractors receive the remaining 50% of payment after properly submitting the remaining compliance documentation.

“It is essential that vendors are paid in a timely manner for the goods and services they deliver,” said City of Chicago Chief Procurement Officer Aileen Velazquez. “The Prompt Payment initiative aligns with our efforts to streamline and introduce new efficiencies to the City’s procurement process.”

“As we invest billions of dollars to reimagine our facilities at O’Hare, Mayor Lightfoot’s guidance has been clear: The CDA must focus not only on what we are building, but who is doing the building,” said CDA Commissioner Jamie L. Rhee. “The 50/50 program is the logical extension of that ideal, allowing diverse vendors of all sizes to quickly receive half the funds they are due while the City performs its due diligence on the remaining obligations.”

The contracts will benefit not only prime contractors but also all of the small, local, minority- and women-owned businesses that make these important projects happen.

“This program is welcome news as we continue to increase investments in our infrastructure. It will be particularly impactful for small and mid-sized businesses performing vital improvements around our city,” said CDOT Commissioner Gia Biagi.

“As we begin what will be the largest lead service line replacement program in the country, this program will help ensure that smaller and minority-owned businesses have a bite at the apple,” said Department of Water Management Commissioner Andrea Cheng. “We want to promote equity in the skilled jobs that will be created.”

The 50/50 program is just one of several programs under the Prompt Payment initiative, launched by Mayor Lightfoot in 2021, with the objective of supporting the entrepreneurs, vendors, and contractors doing business with the City.

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