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MAYOR EMANUEL INTRODUCES EXTENSION TO M/WBE CONSTRUCTION PROGRAM

Study Recommends Ongoing Program that Assists Local Small Minority and Women-Owned Businesses

Mayor Rahm Emanuel today introduced an amendment to the M/WBE Construction Program, which is governed by Section 2-92-650 of the Municipal Code of Chicago. The extension of the program is necessary as the current program is scheduled to sunset at the end of 2015.

"Equal opportunity in contracting for minority and women-owned businesses has been a key focus of my administration," said Mayor Rahm Emanuel, "A robust M/WBE program is necessary to ensure a level playing field for these small local businesses."

By law, renewal of the ordinance must be based on updated evidence of discrimination in the marketplace. In order to assess the current and future sustainability of the program, the city, through the Department of Law, retained the law firm of Pugh, Jones & Johnson, P.C., and world-renowned economist, statistician, and econometrician Dr. David G. Blanchflower to conduct a comprehensive review of the M/WBE Construction Program. Dr. Blanchflower's findings and recommendations incorporate an anecdotal evidence study conducted by Don O'Bannon and a credit market study conducted by the independent research organization NORC at the University of Chicago.

The statistical work included a comprehensive analysis of M/WBE availability in order to determine at what percentages to set goals. For the anecdotal component of the study, multiple stakeholder interviews and focus groups were conducted and focused on the vendors' experiences with the M/WBE program and experiences with discrimination in both private and public markets.

The extension of the M/WBE Construction Program 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 Project Area Subcontractor Bid Incentive, Veteran/Small Business Joint Venture Bid Incentive, MBE/WBE Mentorship Program, Diversity Business Initiative, the Small Business Initiative, and the Graduation Phase-out Program for MBEs/WBEs.

- The Project Area Subcontractor Bid Incentive awards a bid incentive up to 2% off of the contract base bid to prime contractors that are utilizing subcontractors whose facility and workforce is located within the Project Area of the construction job for any City-funded Construction project

- The Veteran/Small Business Joint Venture Bid Incentive awards a 5% bid incentive off the contract base price to joint ventures between small local businesses (many of which are also certified MBEs or WBEs) and veteran-owned businesses.
- The Mentorship Program fosters improved economic opportunity for MBE and WBE businesses throughout Chicago by offering up to 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 percent credit allowed in year one, 50 percent in year two, and 25 percent 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. Program was expanded into a two-tiered system (SBI I & SBI II) to offer more opportunities for small business.
- 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.
- To further communication and transparency, DPS sends regular email newsletter (DPS Alerts). Registration is available on the DPS website (www.cityofchicago.org/dps). For more information, follow DPS on Facebook (www.facebook.com/ChicagoDPS) Twitter (www.twitter.com/ChicagoDPS) and YouTube (www.youtube.com/ChicagoDPS).

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