City of Chicago

O2016-2584

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	4/13/2016
Sponsor(s):	Villegas (36)
Type:	Ordinance
Title:	Amendment of Municipal Code Section 2-92-418 by regarding contracts bid incentives for eligible joint ventures and veteran owned small local businesses
Committee(s) Assignment:	Committee on Workforce Development and Audit

DRAFT 1 – MARCH 1, 2016

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Section 2-92-418 of the Municipal Code of Chicago is hereby amended by deleting the language stricken and inserting the language underscored, as follows:

2-92-418 Contracts – Bid incentives for ~~small business enterprise and veteran-owned business enterprise~~ eligible joint ventures and veteran-owned small local businesses.

(Omitted text is not affected by this ordinance)

"Veteran-owned business enterprise" means an enterprise which: (1) is at least 51 percent owned by one or more veterans, or in the case of a publicly held corporation, at least 51 percent of all classes of the stock of which is owned by one or more veterans, whose management, policies, major decisions and daily business operations are independently managed and controlled by one or more veterans; or (2) has been certified by the State of Illinois as a qualified service-disabled veteran-owned small business or a qualified veteran-owned small business pursuant to 30 ILCS 500/45-57.

"Veteran-owned small local business" means a business that is both a veteran-owned business enterprise and a small local business enterprise as defined in Section 2-92-670.

(Omitted text is not affected by this ordinance)

(b) (1) Unless otherwise prohibited by any federal, state or local law, for any contract advertised, or if not advertised awarded, after the effective date of this section, the chief procurement officer shall allocate a bid incentive of 5 percent of the contract base price to a qualified bidder when the qualified bidder is an eligible joint venture or veteran-owned small local business.

The bid incentive is used only to calculate an amount to be used in evaluating the bid to determine the low bidder, and it does not affect the contract price.

(2) The chief procurement officer may forego awarding the bid incentive under this section, under the following conditions:

(i) an emergency exists;

(ii) for cooperative purchasing or cooperative construction contracts~~.~~;

(iii) where an eligible joint venture or veteran-owned small local business is determined by the chief procurement officer to be unqualified, unable, or ineligible to perform the contract; or

(iv) for any other factor the chief procurement officer deems to be in the city's best interest.

(3) For all contracts advertised after the effective date of this section, the chief procurement officer shall include the bid incentive provision consistent with this section in all such advertising.

(4) As a condition of being awarded the bid incentive, the eligible joint venture or veteran-owned small local business shall continue to meet the definition of an eligible joint venture or veteran-owned small local business during the term of the contract for which the bid incentive was awarded.

(c) The contractor shall maintain adequate records necessary to monitor compliance with this section and shall submit such reports as required by the chief procurement officer. Full access to the contractor's and subcontractors' records shall be granted to the chief procurement officer, the commissioner of the supervising department, the inspector general, or any duly authorized representative thereof. The contractor and subcontractors shall maintain all relevant records for a minimum of seven years after final acceptance of the work.

(d) A bidder desiring to receive an incentive pursuant to this section shall include with its bid submission, an affidavit and other supporting documents demonstrating that the bidder satisfies all pertinent requirements as an eligible joint venture or veteran-owned small local business.

(e) Upon completion of the work, any eligible joint venture or veteran-owned small local business that receives a bid preference but that fails to meet the definition as an eligible joint venture or veteran-owned small local business during the term of the contract for which the bid incentive was awarded shall be fined in an amount equal to three times the amount of the bid incentive awarded.

(Omitted text is not affected by this ordinance)

SECTION 2. This ordinance shall take effect following passage and approval.

Gilbert Villegas
Alderman – 36th Ward