



# City of Chicago



O2016-4887

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 6/22/2016

**Sponsor(s):** Burke (14)  
O'Shea (19)

**Type:** Ordinance

**Title:** Amendment of Municipal Code Chapter 2-92 by adding new Section 2-92-588 concerning veteran-owned business enterprises set-aside program for contracts where costs are paid from Tax Increment Financing Funds

**Committee(s) Assignment:** Committee on Budget and Government Operations

ORDINANCE

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

**SECTION 1.** Chapter 2-92 of the Municipal Code of Chicago is hereby amended by adding a new Section 2-92-588, as follows:

**2-92-588 Veteran-owned business enterprises set-aside program for contracts whose costs are paid from T.I.F. funds.**

(a) *Definitions.* For purposes of this section, the following definitions shall apply:

“Contract” means any contract, purchase order, construction project, redevelopment agreement or other agreement (other than a delegate agency contract, lease of real property, collective bargaining agreement or intergovernmental agreement) awarded by the city and whose cost is to be paid from T.I.F. funds.

“Service-disabled veteran-owned small business” or “SDVOSB” means a small business enterprise certified by the Illinois Department of Veterans' Affairs and the Illinois Department of Central Management Services as a qualified service-disabled veteran-owned small business pursuant to 30 ILCS 500/45-57.

“T.I.F. funds” has the meaning ascribed to the term in Section 2-45-115.

“Veteran-owned small business” or “VOSB” means a small business enterprise certified by the Illinois Department of Veterans' Affairs and the Illinois Department of Central Management Services as a qualified veteran-owned small business pursuant to 30 ILCS 500/45-57.

“Veteran-owned business enterprise” or “V.B.E.” means any business enterprise which is a SDVOSB or a VOSB.

(b) *Award goal – Established.* The chief procurement officer shall establish a goal of awarding not less than three percent of the annual dollar value of all contracts to V.B.E.s.

(c) *Award goal – Implementation.* In order to achieve the goal stated in subsection (b), the chief procurement officer shall undertake the following measures:

(1) Insert within specifications for each contract let through competitive bidding with an estimated value in excess of \$10,000.00 a requirement that the contractor commit to the expenditure of at least the V.B.E. percentage of the dollar value of the contract with one or more V.B.E.s. This commitment may be met by the contractor's status as a V.B.E., or by joint venture with one or more V.B.E.s as prime contractor (to the extent of the V.B.E.'s participation in such joint venture), or by subcontracting a portion of the work to one or more V.B.E.s, or by purchase of materials or services for the work from one or more V.B.E.s, or by the indirect participation of V.B.E.s in other aspects of the contractor's business (but no indirect V.B.E. participation shall be

credited more than once against a contractor's V.B.E. commitment with respect to all contracts of such contractor), or by any combination of the foregoing;

(2) Review each proposed contract modification request that, by itself or aggregated with previous modification requests, increases the contract value by ten percent of the initial contract value or \$50,000.00, whichever is greater, for opportunities to increase participation of V.B.E.s already involved in the contract;

(3) Negotiate with any contractor whose contract is in excess of \$10,000.00 in value and is not awarded by competitive bidding a commitment, where practicable, to V.B.E. participation of at least the V.B.E. percentage of the dollar value of the contract;

(4) Insert, in addition to other terms that the chief procurement officer deems necessary for the implementation of this section, in each contract containing a commitment to V.B.E. participation:

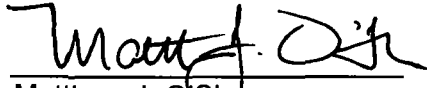
(i) A requirement of periodic reporting by the contractor to the chief procurement officer on all expenditures made to achieve compliance with the foregoing provisions. Such reports shall include the name and business address of each V.B.E. solicited by the contractor to work as a subcontractor on the contract and the responses received by the contractor to such solicitation, the name and business address of each V.B.E. actually involved in the contract, a description of the work performed, or product or service supplied by each such V.B.E., the date and amount of each expenditure, and such other information as may assist the chief procurement officer in determining the contractor's compliance with the foregoing provisions, and the status of any V.B.E. performing any portion of the contract; and

(ii) Remedies for a contractor's noncompliance with the commitment to V.B.E. participation.

(d) *Reduction or waiver of commitment.* If, in connection with a particular contract, either before the contract is let for bid, during the bid or award process, before or during negotiation of the contract, or during the performance of the contract, the chief procurement officer determines that it is impracticable or excessively costly to obtain qualified V.B.E. to perform sufficient work to fulfill the goal stated in subsection (b), the chief procurement officer shall reduce or waive the commitment to V.B.E. participation in the contract, as may be appropriate. The chief procurement officer shall issue rules setting forth the standards to be used in determining whether or not such a reduction or waiver is appropriate.

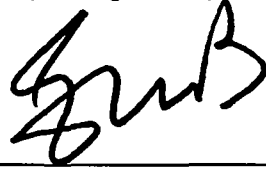
(e) *Rules.* The chief procurement officer is authorized to adopt rules for the proper administration and enforcement of this section.

**SECTION 2.** This ordinance shall take effect upon its passage and publication.



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Matthew J. O'Shea  
Alderman, 19<sup>th</sup> Ward



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Edward M. Burke  
Alderman, 14<sup>th</sup> Ward