



City of Chicago



O2016-1530

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 2/10/2016

Sponsor(s): Dept./Agency

Type: Ordinance

Title: Amendment of Municipal Code Chapter 2-92 as to M.B.E./W.B.E construction contract goals and extension dates.

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

ORDINANCE

WHEREAS, the City of Chicago (the “City”) is a home rule unit of local government as defined in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City, through its Department of Procurement Services, (the “Department”) is responsible for the contracting of goods and services for the City; and

WHEREAS, pursuant to Section 2-92-650, *et seq.*, (the “Ordinance”) of the Municipal Code of Chicago (“Code”), the Department has established a Minority-and Women-owned business enterprise construction procurement program (the “M.B.E./W.B.E. program”); and

WHEREAS, the Ordinance provides in pertinent part that the Ordinance “shall expire on March 31, 2016, unless the city finds that its remedial purposes have not been fully achieved and there is a compelling interest in continuing narrowly tailored remedies to redress discrimination against M.B.E.s or W.B.E.s so that the city will not function as a passive participant in a discriminatory marketplace”; and

WHEREAS, in order to determine whether it is appropriate to allow the Ordinance to expire or instead to continue the narrowly tailored remedies contained therein, a comprehensive review of the relevant data is warranted; and

WHEREAS, the City has retained the noted econometrician Dr. David G. Blanchflower, Bruce V. Rauner Professor of Economics, Dartmouth College, and former Member of the Monetary Policy Committee of the Bank of England to carry out such a comprehensive review; and

WHEREAS, the City has also commissioned a Credit Market survey on lender discrimination which was conducted by the National Opinion Research Center (NORC) at the University of Chicago; and

WHEREAS, the City has also retained Don O’Bannon, Esq., who conducted a study to explore anecdotal evidence of possible discrimination against minorities and women through the use of a focus group and stakeholder meetings; and

WHEREAS, the City has also retained the law firm of Pugh, Jones, & Johnson to provide counsel to the City and the retained parties with respect to the entire comprehensive review; and

WHEREAS, Dr. Blanchflower has concluded his review and has provided a detailed report of his conclusions to the City, including the NORC Credit Market survey and the anecdotal study, together with recommendations based on his findings (“the Final Report”) that the M.B.E./W.B.E. program should continue; and

WHEREAS, it is advisable and appropriate to incorporate the conclusions and recommendations of the Final Report into law; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Sections 2-92-660, 2-92-690 and 2-92-780 of the Code are hereby amended by inserting the underscored language and deleting the struck-through language as follows:

2-92-660 Findings of discrimination.

(Omitted text is unaffected by this ordinance)

(v) following a comprehensive review of the relevant data conducted in 2009, the city has determined to extend this article to December 2015 and make other changes to this article, and following a subsequent comprehensive review of the relevant data conducted in 2015, the city has determined to further extend this article to ~~March 31, 2016~~ December 31, 2020.

2-92-690 Aspirational goals.

The chief procurement officer shall establish biannual, aspirational goals for the award of construction contracts and subcontracts to M.B.E.s and W.B.E.s, based upon the best available evidence. Quotas are prohibited.

Upon the effective date of this article, the biannual, aspirational goals shall be to award ~~24~~ 26 percent of the annual dollar value of all construction contracts to qualified M.B.E.s and ~~four~~ six percent of the annual dollar value of all construction contracts to qualified W.B.E.s.

2-92-780 Review and sunset.

This article shall be subject to an interim review by the chief procurement officer to be concluded by December of ~~2012~~ 2017, and shall expire on ~~March 31, 2016~~ December 31, 2020, unless the city finds that its remedial purposes have not been fully achieved and there is a compelling interest in continuing narrowly tailored remedies to redress discrimination against M.B.E.s or W.B.E.s so that the city will not function as a passive participant in a discriminatory marketplace.

SECTION 2. This ordinance shall be in full force and effect from the date of its passage and approval.



DEPARTMENT OF PROCUREMENT SERVICES

CITY OF CHICAGO

4
February 4, 2016

TO THE HONORABLE CHAIRMAN AND MEMBERS OF THE CITY COUNCIL
COMMITTEE ON THE BUDGET AND GOVERNMENT OPERATIONS

Ladies and Gentlemen:

I transmit herewith an ordinance amending Chapter 2-92 of the Municipal Code regarding the M.B.E./W.B.E. Construction Program.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Jamie L. Rhee
Chief Procurement Officer

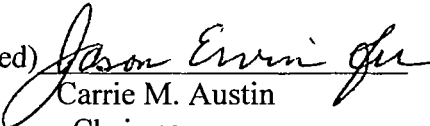
CHICAGO, February 10, 2016

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an Ordinance authorizing an amendment to Chapter 2-92 of the Municipal Code of Chicago necessary to provide for the continuation of the minority and women-owned (MBE/WBE) firms' construction program until December 31, 2020; and having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the Ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

1 members of the Committee with 0 dissenting vote(s).

(Signed) 
Carrie M. Austin
Chairman