



# City of Chicago



O2022-764

Office of the City Clerk

## Document Tracking Sheet

<b>Meeting Date:</b>	3/23/2022
<b>Sponsor(s):</b>	Villegas (36)
<b>Type:</b>	Ordinance
<b>Title:</b>	Amendment of Municipal Code Sections 2-92-440 and 2-92-460 to further regulate target market program contracts
<b>Committee(s) Assignment:</b>	Committee on Committees and Rules

## **ORDINANCE**

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

**SECTION 1.** Article I, Section 2-92-440 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and deleting the language struck through, as follows:

#### **2-92-440 Award goal – Implementation.**

*(Omitted text is unaffected by this ordinance)*

(g) To the extent practicable, award contracts requiring the expenditure of funds not exceeding \$10,000.00 to qualified MBEs and WBEs. Contracts so awarded to MBEs and WBEs shall be considered target market contracts for purposes of satisfying the requirements of Section 2-92-460(b) of this chapter;

*(Omitted text is unaffected by this ordinance)*

**SECTION 2.** Article I, Section 2-92-460 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and deleting the language struck through, as follows:

#### **2-92-460 Target market program.**

(a) For purposes of this section only, in addition to the terms used in Section 2-92-420 of this chapter, the following definitions shall apply:

“City-based business” means a person who (i) conducts meaningful day-to-day business operations at a facility located within the City and that facility is the place of employment for the majority of that person's regular, full-time workforce; (ii) holds all appropriate City licenses; and (iii) is subject to applicable City taxes.

“City resident employee” means an individual who resides in the City and who is employed by a contractor in a permanent and full-time employment.

“City residents” means persons domiciled within the City.

“Target market program bid preference for City-based businesses” means a qualified target market program contract who is also allocated bid preference when: (i) they are a City-based business with at least majority of the employment are City residents employees, or (ii) where the majority of such City-based businesses resident employees are of a socio-economically disadvantaged area.

(b) In order to achieve the goal stated in Section 2-92-430 of this chapter, the chief procurement officer shall develop and coordinate a target market program including the following elements:

~~(a)~~(1) In January of each year the chief procurement officer shall estimate the dollar value of all contracts to be awarded by the ~~e~~City during that year and shall multiply that total by the M.B.E. target market percentage and the W.B.E. target market percentage for that year. Contracts with an estimated dollar value equal to such products shall be set aside (prior to advertisement in the case of contracts to be awarded by bid) to be let only to qualified M.B.E.'s and qualified W.B.E.'s, respectively.

~~(b)~~(2) The chief procurement officer shall work with the officers, departments and agencies of the ~~e~~City and the board to determine the appropriate designation of contracts as target market contracts. To the extent practicable, the chief procurement officer shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from M.B.E.'s and W.B.E.'s. In making ~~his~~ their annual designation of target market contracts, the chief procurement officer shall attempt to vary the included procurements so that a variety of goods and services produced by different M.B.E.'s and W.B.E.'s shall be set aside each year. M.B.E.'s and W.B.E.'s shall remain eligible to seek the procurement award of contracts which have not been designated as target market contracts.

~~(c)~~(3) D.P.S. shall develop a list of M.B.E.s and W.B.E.s who are interested in participating in the target market program, including the type of contract in which each M.B.E. and W.B.E. is interested in participating. D.P.S. may make participation in the target market program dependent upon submission to stricter compliance audits than are generally applicable to participants in the program. No contract shall be eligible for inclusion in the target market program unless the list developed by D.P.S. indicates that there are at least three qualified M.B.E.s or W.B.E.s interested in participating in that type of contract. D.P.S. may develop guidelines to regulate the level of participation of individual M.B.E.s and W.B.E.s in the target market program in order to prevent the domination of the target market program by a small number of such entities. Where necessary or useful, D.P.S. may require M.B.E.s and W.B.E.s to participate in training programs offered by the department of planning and development or other ~~e~~City departments or agencies as a condition to participation in the target market program.

~~(d)~~(4) Participation in the target market program shall be limited to M.B.E.s, W.B.E.s and joint ventures consisting exclusively of M.B.E.s, W.B.E.s or both. The prime contractor on a target market contract may subcontract up to 50 percent of the dollar value of the target market contract to subcontractors who are not M.B.E.s or W.B.E.s.

~~(e)~~(5) D.P.S. may include in the target market program contracts which are funded by the state or federal government and may vary the standards of eligibility of the target market program (for example, by allowing the participation of D.B.E.s, V.B.E.s, and B.E.P.D.s certified by the City) to the extent necessary to comply with the requirements of the government agency supplying the funding.

(6) Unless, otherwise prohibited by any federal, state or local law, for any target market program contract, the chief procurement officer shall allocate to any qualified bidder a bid preference percentage of the contract base bid determined by the chief procurement officer

that is aligned according to such qualified bidder meeting the requirements set forth in Section 2-92-460(a) "City-based business",

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

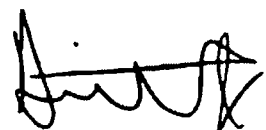
(ii) For all contracts advertised for bid solicitation, the chief procurement office shall include a bid preference provision consistent with this section in all such advertising.

(iii) The chief procurement officer is authorized to adopt, promulgate and enforce reasonable rules pertaining to the administration and enforcement of target market program contracts and City-based business preferences.

~~(f)~~(7) If no satisfactory bid or response is received with respect to a contract which has been designated as part of the target market program, D.P.S. may delete such contract from the target market program, in which case the contract shall be subject to the requirements of Section 2-92-440 of this chapter. In addition, the chief procurement officer shall thereupon designate and set aside for the target market program additional contracts corresponding in approximate value to the contract which was deleted from the target market program, to the extent feasible.

~~(g)~~(8) In order to facilitate the performance of target market contracts by M.B.E.'s and W.B.E.'s, the chief procurement officer may expedite payments under target market contracts, may reduce retainages under target market contracts where appropriate and may pay the contractor a portion of the value of a target market contract at the time of award as an advance to cover start-up and mobilization costs.

**SECTION 3.** This ordinance shall take effect 60 days after passage and publication.



Gilbert Villegas  
Alderman, 36th Ward  
Principal Sponsor