



# City of Chicago



O2018-4032

Office of the City Clerk

## Document Tracking Sheet

<b>Meeting Date:</b>	5/25/2018
<b>Sponsor(s):</b>	Sawyer (6) Villegas (36) Moreno (1)
<b>Type:</b>	Ordinance
<b>Title:</b>	Amendment of Municipal Code Chapter 2-92 by modifying the Mid-sized Business Initiative construction program
<b>Committee(s) Assignment:</b>	Committee on Workforce Development and Audit

## 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 deleting the language stricken and inserting the language underscored, as follows:

#### **2-92-810 Definitions.**

For purposes of this Article VII, the following definitions shall apply:

"Chief procurement officer" means the city's chief procurement officer.

"Construction contract" means a contract, purchase order or agreement (other than a lease of real property) for the construction, repair or improvement of any building, bridge, roadway, sidewalk, alley, railroad or other structure or infrastructure, awarded by any officer or agency of the city other than the city council, and whose cost is to be paid from funds belonging to the city.

"Department of procurement services" or "DPS" means the city's department of procurement services.

"Local business enterprise" means a business entity located within the counties of Cook, DuPage, Kane, Lake, McHenry or Will in the State of Illinois (the "Six County Region"), which has the majority of its regular, full-time work force located within the Six County Region

"Mid-sized Business Initiative construction program" or "MBI construction program" means the program established pursuant to this Article VII.

"Mid-sized local business enterprise" or "MSB" means Mid-sized local business enterprise-one or Mid-sized local business enterprise-two.

"Mid-sized local business enterprise-one" or "MSB-1" means a local business enterprise: (i) that has gross receipts, averaged over its previous five fiscal years, or number of employees, per pay period averaged over the past 12 months, that do not exceed two times the size standards set forth in 13 C.F.R. Part 121; and (ii) which is at least 51 percent owned by one or more persons whose personal net worth is not more than two times the personal net worth of an "economically disadvantaged" person, as that term is defined in Section 2-92-670.

"Mid-sized local business enterprise-two" or "MSB-2" means a local business enterprise: (i) that has gross receipts, averaged over its previous five fiscal years, or number of employees, per pay period averaged over the past 12 months, that do not exceed one and a half times the size standards set forth in 13 C.F.R. Part 121; and (ii) which is at least 51 percent owned by one or more persons whose personal net worth is not more than one and a half times the personal net worth of an "economically disadvantaged" person, as that term is defined in Section 2-92-670.

## **2-92-820 MBI construction program – Established.**

(a) Unless otherwise prohibited by any federal, state or local law, the chief procurement officer shall establish a race- and gender-neutral program to increase participation by MSB-1s in construction contracts. The chief procurement officer is authorized to identify and offer construction contract projects for exclusive participation of MSB-1s. The estimated costs of such projects shall not be less than \$10,000,000 nor more than \$20,000,000.

(b) Unless otherwise prohibited by any federal, state or local law, the chief procurement officer shall establish a race- and gender-neutral program to increase ~~MSBs'~~ participation by MSB-2s in construction contracts. The chief procurement officer is authorized to identify and offer construction contract projects for exclusive participation of MSB-2s. The estimated costs of such projects shall not be less than \$3,000,000 nor more than \$10,000,000.

## **2-92-830 MBI construction program – Eligibility.**

To be eligible for the MBI construction program, a business enterprise must:

(1) be a mid-sized local business enterprise one or mid-sized local business enterprise-two;

(2) ~~be in business for at least two years at the time the business enterprise claims to be eligible for the MBI construction program;~~

(3) perform more than fifty percent of the work on the construction project with its own work force or subcontractors that are mid-sized local business enterprises; and

(4 <sup>3</sup>) be independent, and must not be an affiliate or subsidiary of any other business enterprise. For purposes of this subsection, the chief procurement officer shall have the sole authority to determine the independence of a business enterprise.

## **2-92-840 MBI construction program – Presumption, attestation and notification.**

(a) Minority-owned business enterprises and women-owned business enterprises, as defined in Section 2-92-670, and veteran-owned small local businesses, as defined in Section 2-92-920, shall be presumed to be MSBs.

(b) Except as otherwise provided in subsection (a), any business enterprise that claims to be an MSB shall at the time of such claim, and annually thereafter, submit an affidavit, in a form prescribed by the chief procurement officer, attesting that it meets the MSB eligibility requirements provided in Section 2-92-830. The chief procurement officer is authorized to investigate the accuracy of the information provided in, and require documents and information in support of, such affidavits.

(c) MSBs and business enterprises presumed to be MSBs shall notify the department of procurement services of any change that affects such enterprises' MSB status within five business days of the occurrence of such change.

**SECTION 2.** Section 2-92-670 of the Municipal Code of Chicago is hereby amended by deleting the language stricken and inserting the language underscored, as follows:

**2-92-670 Definitions.**

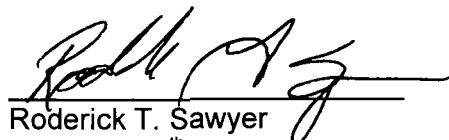
As used in this article, the following terms shall have the following meanings:

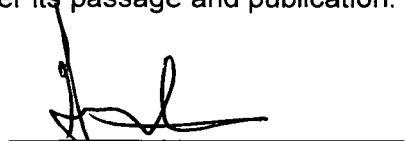
*(Omitted text is not affected by this ordinance)*

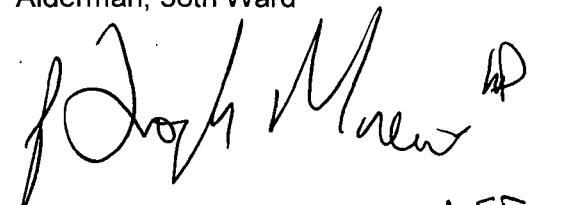
(j-5) "Established business" means a business which is not a "small business enterprise" as determined according to subsection (t) of this section, or a business whose owners of 50 percent or more are persons who are not "economically disadvantaged" as determined pursuant to subsections (j) and (q) of this section.

*(Omitted text is not affected by this ordinance)*

**SECTION 3.** This ordinance shall take effect 30 days after its passage and publication.

  
Roderick T. Sawyer  
Alderman, 6<sup>th</sup> Ward

  
Gilbert Villegas  
Alderman, 36<sup>th</sup> Ward

  
proco Joe Moreno<sup>1<sup>ST</sup> WARD</sup>