



Office of the City Clerk

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Legislation Details (With Text)

File #: O2016-5612
Type: Ordinance **Status:** Passed
File created: 7/20/2016 **In control:** City Council
 Final action: 9/14/2016
Title: Amendment of Municipal Code Chapter 2-92 by adding new Section 2-92-336 regarding contract bid incentive for ex-offender apprentice utilization
Sponsors: Emanuel, Rahm
Indexes: Ch. 92 Dept. of Purchases, Contracts & Supplies
Attachments: 1. O2016-5612.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|---|---------------------|--------|
| 9/14/2016 | 1 | City Council | Passed | Pass |
| 9/13/2016 | 1 | Committee on Budget and Government Operations | Recommended to Pass | Pass |
| 7/20/2016 | 1 | City Council | Referred | |

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

July 20, 2016

TO THE HONORABLE, THE CITY COUNCIL OF THE CITY OF
CHICAGO

Ladies and Gentlemen:

At the request of the Chief Procurement Officer, I transmit herewith an ordinance amending Chapter 2-92 of the Municipal Code regarding ex-offender apprentice utilization.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

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 inserting a new Section 2-92-336, underscored as follows:

2-92-336 Contracts - Ex-offender apprentice utilization.

(a) For purposes of this section the following definitions apply:

"Apprentice" means any person who is: (1) sponsored into an apprenticeship training program by a contractor that is authorized by a union to sponsor apprentices; (2) participating in a workforce development program of a delegate agency that receives funding from the Department Of Family and Support Services; and (3) an ex-offender. The union's apprenticeship training program must be registered with the United States Department of Labor, or approved or recognized by the State of Illinois. For purposes of this definition, "participating in" means the duration of the pertinent contract or one year, whichever is less.

"Bid incentive" means an amount deducted, for bid evaluation purposes only, from the contract base bid in order to calculate the bid price to be used to evaluate the bid on a competitively bid construction project.

"Construction project" means any project to be paid for by the City, but which is not funded in whole or part by any federal or state funds, to construct, remodel or reconstruct any public works, public buildings, public structures, roadways, parkways, bridges, parking facilities or parks, or any portion of any of the same, belonging to the City within its geographical boundaries as they exist or shall exist in the future.

"Contract base bid" means the total dollar amount a contractor bids on a construction project without factoring any bid incentive or percentage reductions to the bid amount.

"Earned credit" means the amount of the bid incentive allocated to a contractor upon completion of a construction project in which the contractor met or exceeded his or her goals for the utilization of apprentices in performance of the total labor hours performed under the contract.

"Earned credit certificate" means a certificate issued by the chief procurement officer evidencing the amount of earned credit a contractor has been awarded.

"Ex-offender" means a resident of the City of Chicago who has been convicted of an imprisonable offense under the Illinois Criminal Code or another state's penal statute.

"Labor hours" means the total hours of workers receiving an hourly wage who are directly employed at the work site. "Labor hours" shall include hours performed by workers employed by the contractor and all subcontractors working at the work site. "Labor hours" shall not include hours worked by non-working foremen, superintendents, owners and workers who are not subject to prevailing wage requirements.

(b)(1) For any construction project advertised after the effective date of this section having an estimated contract value of \$100,000.00 or more, and where not otherwise prohibited by federal, state or local law, the chief procurement officer shall allocate to any Qualified bidder the following bid incentive for utilization of apprentices in performance of the total labor hours performed under the contract.

(2) The Chief Procurement Officer is authorized to limit or preclude the use of apprentices for a particular contract if she determines, following consultation with the Commissioner of Family and Support Services, that the nature of the underlying offense raises concerns of suitability for that contract.

| <u>Total Labor Hours Performed By Apprentices</u> | <u>Bid Incentive</u> |
|---|--------------------------------------|
| <u>5 to 10%</u> | <u>1/2% of the contract base bid</u> |
| <u>11 to 15%</u> | <u>1 % of the contract base bid</u> |

The bid incentive shall be calculated and applied in accordance with subsection (c)(2). The bid incentive does not affect the contract price and is used only to calculate an amount to be used in evaluating the bid.

For all construction projects advertised after the effective date of this section, the chief procurement officer shall include the bid incentive provision in all such advertisements, unless the limitation or preclusion of subsection (b)(2) applies.

(2) As part of the contract close-out procedure, if the chief procurement officer determines that the contractor has successfully met its apprentice utilization goals, the chief procurement officer shall issue an earned credit certificate that evidences the amount of earned credits allocated to the contractor. The contractor may apply the earned credits as the bid incentive for any future construction project contract bid of equal or greater dollar value.

The earned credit certificate is valid for three years from the date of issuance and shall not be applied towards any future contract bid after the expiration of that period.

The contractor may apply the earned credit certificate on multiple future construction project contract bids during the three-year period in which the certificate is valid, but may only receive one bid incentive for bid evaluation purposes on one construction project contract award. If the contractor applies the earned credit certificate on multiple construction project bids and is the lowest responsive and responsible bidder on more than one construction project bid, the earned credit certificate shall be applied to the construction project first to be advertised by D.P.S., or if multiple construction project bids were advertised on the same date, the earned credit certificate shall be applied only to the construction project with the greatest dollar value.

d) The contractor shall maintain accurate and detailed books and records necessary to monitor compliance with this section and shall submit such reports as required by the chief procurement officer, or the

commissioner of the supervising department.

Full access to the contractor's and subcontractors' records shall be granted to the chief procurement officer, the commissioner of the supervising department, or any duly authorized representative thereof. The contractor and subcontractors shall maintain all relevant records for at least three years after final acceptance of the work.

e) The chief procurement officer is authorized to adopt, promulgate and enforce rules pertaining to the administration and enforcement of this section.

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