



Office of the City Clerk

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OFFICE OF THE MAYOR

CITY OF CHICAGO
LORI E. LIGHTFOOT MAYOR

March 10, 2021

Anna Valencia City
Clerk
Room
IL 60602

107,

City

Hall

Chicago,

Dear Ms. Valencia:

I transmit herewith for filing Executive Order No. 2021-2, addressing procurement equity and transparency.

Your prompt attention to this matter is appreciated.

OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

EXECUTIVE ORDER NO. 2021-2

WHEREAS, this Administration has prioritized from its very first days a more inclusive and equitable approach to counter decades of disinvestment in communities across the City; and

WHEREAS, the City of Chicago possesses one of the most robust, dynamic, and diverse economies in the world; and

WHEREAS, this Administration has set forth an economic development plan for 2030 which focuses on the core strengths of the Chicago economy in transportation, distribution and logistics; technology; tourism and hospitality; as well as healthcare and life sciences; and

WHEREAS, the City of Chicago, despite its great wealth and productivity, nevertheless possesses an unfortunate legacy of racial discrimination and economic inequality; and

WHEREAS, in order to recover from the devastating economic impact of COVID-19, government and the private sector must embark on an ambitious plan of recovery; and

WHEREAS, as part of the COVID-19 recovery plan, this Administration has put forward a five-year capital spending plan that will improve the quality of life for all residents, employ thousands of people, and generate wealth for businesses by investing in infrastructure and City facilities in all 77 communities, on top of ongoing capital projects in public transportation and the airports; and

WHEREAS, this Administration has recommitted the \$8.5 billion investments at O'Hare International Airport which will create boundless opportunities for local tradesmen and businesses; and

WHEREAS, this Administration continues its drive for equitable and inclusive investments through its signature \$750 million economic development plan, Invest South/West, which to date has generated approximately \$300 million in private investment; and

WHEREAS, this Administration is committed to ensuring that the recovery from COVID-19 is as inclusive as possible and provides opportunities for minority and women owned businesses, as well as small businesses; and

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WHEREAS, the City of Chicago through its own procurement practices can and must also focus on equity in the hundreds of millions of dollars it spends annually to procure goods and services through private companies; and

WHEREAS, City vendors and contractors spend billions of dollars each year on local labor, goods, and services outside of City contracts; and

WHEREAS, the City of Chicago seeks to support diverse businesses and investment in city residents, including through a model procurement program; and

WHEREAS, procurement done strategically and intentionally can be a powerful tool to drive change; and

WHEREAS, the City of Chicago also seeks to make the private sector a more engaged and accountable partner in building a more diverse Chicago and to work with other bodies and organizations to enhance the diversity of businesses and opportunities in Chicago; and

WHEREAS, the City of Chicago also seeks to provide a level playing field and equal access for all contractors and subcontractors, including certified firms, to participate in city contracting opportunities; and

WHEREAS, in order to better create that level playing field for potential suppliers of goods and services to the City, it is essential to understand how diverse firms are being utilized, both on City contracts and non-City contracts; and

WHEREAS, improving the City's monitoring of the usage of certified firms benefits both certified firms and the City as a whole; now, therefore,

I, LORI E. LIGHTFOOT, Mayor of the City of Chicago, do hereby order as follows:

SECTION 1. DEFINITIONS.

For purposes of this Order, the following definitions apply:

"Assist Agency" means a non-profit organization, chamber of commerce, or similar organization that seeks to advance the interests of small, minority-owned, women-owned, and other historically underutilized businesses.

"Business Diversity Program" means a program or initiative of a business enterprise which encourages or facilitates the use of minority-owned, women-owned, and other historically underutilized businesses as contractors, consultants, suppliers, or service providers for that business.

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"Certified Firms" means firms possessing certifications recognized by the City of Chicago pursuant to MCC Chapter 2-92 or 49 CFR Parts 23 or 26.

"Contract" means: (1) a contract for the City to purchase goods or services regardless of the contracting City department or agency, or (2) a Redevelopment Agreement.

"Contractor" means the counterparty to the City on any Contract.

"Contracting Executive" means the head of any executive department or agency of City government, or other City officer, who exercises any contracting authority.

"CPO" means the Chief Procurement Officer of the City.

"Redevelopment Agreement" means any redevelopment or similar agreement involving the construction or rehabilitation of real estate with an expected grant or forgivable loan by the City of funds of \$1,000,000 or more (or such other amount as determined by the CPO from time to time), and which does not involve a grant under Chapter 16-14 of the MCC, "Neighborhood Opportunity Fund."

SECTION 2. CERTIFIED FIRM UTILIZATION TRANSPARENCY.

A. For all Contracts containing goals for the utilization of Certified Firms, unless otherwise required by funding source, the applicable Contracting Executive shall require Contractors to submit projections as to when and to what extent in the schedule for performance of the Contract Certified Firms are expected to be used toward the goals (hereinafter "the Proposed Utilization Report"). The applicable Contracting Executive shall mandate that for all applicable Contracts awarded after the date hereof, the Proposed Utilization Report shall be submitted by the Contractor before the Contract award.

B. Further, Contractors shall be required to submit quarterly reports on the actual usage of Certified Firms throughout the duration of the Contract, comparing actual usage with projected usage, and including an explanation and recovery plan if participation by Certified Firms is materially below projected usage (hereinafter called the Quarterly Utilization Report"). Applicable user departments or agencies shall assist in developing requirements and evaluating any submittals as requested by the CPO. The requirements of this section will apply to Redevelopment Agreements only during the pendency of any City-supported construction or rehabilitation.

SECTION 3. BUSINESS DIVERSITY PROGRAM INFORMATION.

A. The CPO and each other Contracting Executive shall require that on July 1 of each calendar year, unless otherwise determined by the CPO, Contractors under any Contract(s) that are Redevelopment Agreements or are for the purchase of goods or services with an aggregate award value of at least \$100,000 (or such other amount as determined by the CPO from time to time) must submit annual reports that contain a description of the Contractor's Business Diversity Program, or report the lack thereof, and include information as to its expenditure on

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goods and services from minority-owned firms and women-owned firms during the prior calendar year, expressed in both dollars and percentages, to the extent the Contractor has such information available. Additionally, for reports due on July 1, 2021, information shall be provided regarding expenditures in calendar years 2019 as well as 2020, to the extent the Contractor has such information available. Aggregate award value of contracts shall be calculated based on awards within twelve months prior to the report due date, or other date determined by the CPO by rule.

B. The reporting requirements of this section shall not apply to: (1) contractors that are themselves Certified Firms; or (2) Contractors on Contracts for the professional consulting services of an individual who is also the majority owner of the contractor or is the contracting party; or (3) circumstances where it is contrary to

applicable funding requirements; (4) for Redevelopment Agreements, after any City-supported construction or rehabilitation has been completed or (5) circumstances in which the CPO determines that an exception is in the best interest of the City to protect the public health, safety or welfare, or because the City is otherwise unable to acquire the goods or services at comparable price and quality, and in sufficient quantity. Contractors not required to report may report voluntarily. Contractors shall submit their reports to the City office designated by the Mayor from time to time.

C. The CPO shall cooperate with Assist Agencies to promote those agencies' and the City's efforts to encourage and enhance business diversity on an ongoing basis.

D. After sufficient information has been gathered, the CPO, Deputy Mayor for Neighborhood and Economic Development, and Chief Equity Officer, or such other officer(s) as designated from time to time by the Mayor, shall make recommendations to the Mayor regarding future programs requiring diverse participation reporting or goals on City Contractors' non-City business, and similar initiatives.

SECTION 4. OTHER CITY DEPARTMENTS AND AGENCIES.

All Contracting Executives shall consult and cooperate with the CPO in collecting the information required by this Order and shall implement procedures consistent with those promulgated by the CPO under this Order.

SECTION 5. IMPLEMENTATION AND RULES.

The CPO shall (i) develop and promulgate forms and time schedules necessary or appropriate to effectively standardize and gather the information required by this Order, and (ii) develop and promulgate rules necessary or appropriate to effectively administer this Order.

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SECTION 6. This Order shall take effect upon its execution and filing with the City Clerk.

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