



Your favorable consideration of this ordinance will be appreciated.

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## 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 2-92-955, as follows:

#### **2-92-955 Veteran-owned small local businesses participation goal pilot program.**

a) Award Goal - Established. The Chief Procurement Officer is authorized to establish a contract-specific participation goal to veteran-owned small local businesses if all of the following conditions are met:

- 1) the contract has an estimated value in excess of \$10,000.00; and
- 2) there are at least three veteran-owned small local businesses certified by the City in each of one or more areas of specialty (as defined by the North American Industry Classification System) germane to the contract; and
- 3) the contract-specific participation goal is not more than one percent of the contract's value.

b) Award Goal - Implementation. In order to achieve the goal stated in subsection (a), the Chief Procurement Officer is authorized to undertake the following measures:

- 1) Insert within specifications for each contract described in subsection (a) of this section let through competitive bidding with an estimated value in excess of \$10,000.00 a requirement that the contractor commit to the expenditure of at least the veteran-owned small local businesses percentage of the dollar value of the contract with one or more veteran-owned small local businesses. This commitment may be met by the contractor's status as a veteran-owned small local business, or by joint venture with one or more veteran-owned small local businesses as prime contractor (to the extent of the veteran-owned small local business's participation in such joint venture), or by subcontracting a portion of the work to one or more veteran-owned small local businesses, or by purchase of materials or services for the work from one or more veteran-owned small local businesses, or by the indirect participation of veteran-owned small local businesses in other aspects of the contractor's business (but no indirect veteran-owned small local business participation shall be credited more than once against a contractor's veteran-owned small local business commitment with respect to all contracts of such contractor), or by any combination of the foregoing;

- 2) Review each proposed contract modification request that, by itself or aggregated with previous modification requests, increases the contract value by 10 percent of the initial contract value or \$50,000.00, whichever is greater, for opportunities to increase participation of veteran-owned small local businesses already involved in the contract;

- 3) Negotiate with any contractor whose contract is in excess of \$10,000.00 in value and is not awarded by competitive bidding a commitment, where practicable, to veteran-owned small local business participation of at least the veteran-owned small local business percentage of the dollar value of the contract;

- 4) Insert, in addition to other terms that the Chief Procurement Officer deems necessary for the implementation of this section, in each contract containing a commitment to veteran-owned small local business participation:

- (i) A requirement of periodic reporting by the contractor to the Chief Procurement Officer on all expenditures made to achieve compliance with the foregoing provisions. Such reports shall include the name and business address of each veteran-owned small local business solicited by the contractor to work as a subcontractor on the contract and the responses received by the contractor to such solicitation, the name and business address of

each veteran-owned small local business actually involved in the contract, a description of the work performed, or product or service supplied by each such veteran-owned small local business, the date and amount of each expenditure, and such other information as may assist the Chief Procurement Officer in determining the contractor's compliance with the foregoing provisions, and the status of any veteran-owned small local business performing any portion of the contract"; and

(ii) *Remedies for a contractor's noncompliance with the commitment to veteran-owned small local business participation.* ■

c) **Reduction or Waiver of Commitment.** If, in connection with a particular contract, either before the contract is let for bid, during the bid or award process, before or during negotiation of the contract, or during the performance of the contract, the Chief Procurement Officer determines that it is impracticable or excessively costly to obtain qualified veteran-owned small local business to perform sufficient work to fulfill the goal stated in subsection (a), the Chief Procurement Officer shall reduce or waive the commitment to veteran-owned small local business participation in the contract, as may be appropriate. The Chief Procurement Officer shall issue rules setting forth the standards to be used in determining whether or not such a reduction or waiver is appropriate.

d) **Rules.** The Chief Procurement Officer is authorized to adopt rules for the proper administration and enforcement of this section.

e) **Report.** Before the expiration of this section, the Chief Procurement Officer shall submit a report and recommendations to the Mayor and to the City Council regarding the veteran-owned small local businesses participation goal pilot program authorized to be established pursuant to this section.

f) **Expiration.** This section shall expire on July 31, 2023.

SECTION 2. This ordinance shall take effect upon its passage and publication, and it shall be retroactive to April 30, 2021.