



# Office of the City Clerk

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## Legislation Text

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### WORKFORCE INTERMEDIARY PROGRAM

WHEREAS, the City of Chicago is committed to remedying under-representation of minorities and/or women in the labor force, and

WHEREAS, a diverse work force and business community strengthen the City's economy, and

WHEREAS, apprenticeship programs are a critical strategy for closing the middle-skills gap and providing a pathway to stable, long-term employment, and

WHEREAS, in 2018, only four percent of Illinois registered apprentices were women and only 31 percent were people of color,<sup>1</sup> and

WHEREAS, workforce intermediary programs are a proven method of driving wage and career growth for participating workers, with some studies showing a 20 percent increase in hourly wages for employees one year after training,<sup>2</sup> and

WHEREAS, the City enacted Municipal Code of Chicago ("MCC") Section 2-92-330 to provide increased employment opportunities for city residents on construction projects advertised or awarded by the City, and Section 2-92-650 et seq. to foster participation of M/WBEs in City construction contracts, the violation of which may lead to the imposition of damages or sanctions by the City's chief procurement officer, and

WHEREAS, pursuant to Section 2-92-385, the City's chief procurement officer may assess fines to contractors who violate the City's prohibition on requiring disclosure of past salary history as a condition of employment, and

WHEREAS, pursuant to Section 2-92-407, the City's chief procurement officer may assess fines to contractors who fail to retain the percentage of diverse management and/or diverse workforce provided for the purpose of a contract bid incentive, and

WHEREAS, pursuant to Section 2-92-412, the City's chief procurement officer may assess fines to contractors who fail to remain a city-based business or employer of city residence for the purpose of a contract bid preference, and

WHEREAS, the City wishes to use the funds collected through these existing fines, penalties and damages to support workforce intermediary programs, in order to strengthen the city's economy, increase labor force diversity, and provide a pathway to construction employment for women and minority workers in the City of Chicago; now, therefore,

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

SECTION 1. The foregoing recital is hereby incorporated as the findings of the City Council. SECTION 2. Section 2-92 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

'<https://www2.illinois.gov/idol/Laws-Rules/CONMED/Documents/appreport2018.pdf> <<http://https://www2.illinois.gov/idol/Laws-Rules/CONMED/Documents/appreport2018.pdf>>

<sup>2</sup>Richard McGahey, Workforce Intermediaries for the Twenty-first Century : For The 21 St Century (ed. Robert Giloth 2004) at 137.

## **2-92-329 Contracts - Workforce Intermediary Programs.**

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

"Workforce Intermediary Program" means a not-for-profit organization which provides services including recruitment, training, placement, educational and case-management services, which has with agreements with five or more U.S. Department of Labor-registered apprenticeship programs to refer candidates to their apprenticeship programs, and which has agreements with five or more general contractors or an industry association representing general contractors to interview minorities and/or women candidates referred by the intermediary.

b) The fees, penalties and/or liquidated damages collected under Sections 2-92-330, 2-92-385, 2-92-390, 2-92-407, 2-92-412 and 2-92-740 shall be used exclusively to fund workforce intermediary programs, unless required to be deposited into another fund pursuant to federal or state law, provided that:

1. All fees collected pursuant to Section 2-92-740 shall used exclusively by a recipient workforce intermediary program for development of M.B.E./W.B.E. programs and encouragement of M.B.E./W.B.E. participation in the city.
2. All fees collected pursuant to Section 2-92-330 shall be used exclusively by a recipient workforce intermediary program for establishing worker training programs.

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

Aid. Gilbert Villegas (36)