

SUBSTITUTE ORDINANCE

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

SECTION 1. Section 2-92-920 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, as follows:

2-92-920 Definitions.

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

(Omitted text is unaffected by this ordinance)

~~"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").~~

(Omitted text is unaffected by this ordinance)

~~"Small business enterprise" means: (i) for a construction business enterprise, a small business enterprise, as the term is defined in Section 2-92-670; or (ii) for a non-construction business enterprise, a business enterprise which is not an established business, as the term is defined in Section 2-92-420.~~

"Veteran" means a person who has served in the United States armed forces and was discharged or separated under honorable conditions.

"Veteran-owned business enterprise" means an enterprise which: (1) is at least 51 percent owned by one or more veterans, or in the case of a publicly held corporation, at least 51 percent of all classes of the stock of which is owned by one or more veterans, whose management, policies, major decisions and daily business operations are independently managed and controlled by one or more veterans; and (2) has been: (i) certified by the City as a veteran-owned small local business enterprise pursuant to Section 2-92-930; (ii) certified by the County of Cook as a veteran business enterprise; (iii) certified by the State of Illinois as a qualified service- disabled veteran-owned small business or a qualified veteran-owned small business pursuant to 30 ILCS 500/45-57; or (iv) verified and approved by the United States Department of Veterans Affairs as a service- disabled veteran-owned small business or a veteran-owned small business.

~~"Veteran-owned small local business" means a veteran-owned business enterprise which is also a local business enterprise and a small business enterprise, and which has been certified by the City as a veteran-owned small local business pursuant to Section 2-92-930.~~

(Omitted text is unaffected by this ordinance)

SECTION 2. Section 2-92-930 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and adding the language that appears below, as follows:

2-92-930 Veteran-owned ~~small-local-business~~ enterprise – Certification and reporting.

The Chief Procurement Officer is authorized to certify veteran-owned ~~small-local businesses~~ enterprises. The Chief Procurement Officer shall provide a semi-annual report to the City Council Committee on Contracting Oversight and Equity regarding veteran-owned ~~small-local-business~~ enterprises certified by the City.

SECTION 3. Section 2-92-950 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, as follows:

2-92-950 Bid incentive for eligible joint ventures and veteran-owned ~~small-local businesses~~ enterprises.

(a) (1) Unless otherwise prohibited by any federal, state or local law, for any contract advertised, or if not advertised awarded, after the effective date of this section, the Chief Procurement Officer shall allocate a bid incentive of five percent of the contract base price to a qualified bidder when the qualified bidder is an eligible joint venture or veteran-owned ~~small-local business~~ enterprise.

The bid incentive is used only to calculate an amount to be used in evaluating the bid to determine the low bidder, and it does not affect the contract price.

(2) The Chief Procurement Officer may forego awarding the bid incentive under this section, under the following conditions:

- (i) an emergency exists;
- (ii) for cooperative purchasing or cooperative construction contracts;
- (iii) where an eligible joint venture or veteran-owned ~~small-local business~~ enterprise is determined by the Chief Procurement Officer to be unqualified, unable, or ineligible to perform the contract; or
- (iv) for any other factor the Chief Procurement Officer deems to be in the City's best interest.

(3) For all contracts advertised after the effective date of this section, the Chief Procurement Officer shall include the bid incentive provision consistent with this section in all such advertising.

(4) As a condition of being awarded the bid incentive, the eligible joint venture or veteran-owned ~~small-local-business~~ enterprise shall continue to meet the definition of an

eligible joint venture or veteran-owned ~~small local business~~ enterprise during the term of the contract for which the bid incentive was awarded.

(b) The contractor shall maintain adequate records necessary to monitor compliance with this section and shall submit such reports as required by the Chief Procurement Officer. Full access to the contractor's and subcontractors' records shall be granted to the Chief Procurement Officer, the commissioner of the supervising department, the inspector general, or any duly authorized representative thereof. The contractor and subcontractors shall maintain all relevant records for a minimum of seven years after final acceptance of the work.

(c) A bidder desiring to receive an incentive pursuant to this section shall include with its bid submission, an affidavit and other supporting documents demonstrating that the bidder satisfies all pertinent requirements as an eligible joint venture or veteran-owned ~~small local business~~ enterprise.

(d) Upon completion of the work, any eligible joint venture or veteran-owned ~~small local business~~ enterprise that receives a bid preference but that fails to meet the definition as an eligible joint venture or veteran-owned ~~small local business~~ enterprise during the term of the contract for which the bid incentive was awarded shall be fined in an amount equal to three times the amount of the bid incentive awarded.

SECTION 4. Section 2-92-955 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, as follows:

2-92-955 Veteran-owned ~~small local businesses~~ enterprise 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~~ enterprises 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 enterprises 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~~ three 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 enterprises 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 enterprise, or by joint venture with one or more veteran-owned ~~small local~~ businesses enterprises as prime contractor (to the extent of the veteran-owned ~~small local~~ business enterprise's participation in such joint venture), or by subcontracting a portion of the work to one or more veteran-owned ~~small local~~ businesses enterprises, or by purchase of materials or services for the work from one or more veteran-owned ~~small local~~ businesses enterprises, or by the indirect participation of veteran-owned ~~small local~~ businesses enterprises in other aspects of the contractor's business (but no indirect veteran-owned ~~small local~~ business enterprise participation shall be credited more than once against a contractor's veteran-owned ~~small local~~ business enterprise 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 enterprises 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 enterprise participation of at least the veteran-owned ~~small local~~ business enterprise 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 enterprise 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 enterprise 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 enterprise actually involved in the contract, a description of the work performed, or product or service supplied by each such veteran-owned ~~small local~~ business enterprise, 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 enterprise performing any portion of the contract; and

(ii) Remedies for a contractor's noncompliance with the commitment to veteran-owned ~~small local~~ business enterprise 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 enterprises 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 enterprise 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, 2026.~~

SECTION 5. This ordinance shall take effect upon passage and publication.

GILBERT VILLEGAS
Alderman, 36th Ward