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**MAYOR LIGHTFOOT SIGNS TWO EXECUTIVE ORDERS CENTERING EQUITY IN
PROCUREMENT AND DELEGATE CONTRACTING REFORMS**

Orders improve cross-departmental contracting standards, equity-focused data transparency, and on ramps to opportunity for companies and organizations new to City contracting.

CHICAGO – Today, Mayor Lori E. Lightfoot signed two executive orders containing improvements to whole-of-government procurement and contracting—many of which codify innovations made under her administration. Together, these executive orders will propel a more standardized, inclusive and equitable approach to contracting, and support diverse, community-based organizations and investment in all city residents and neighborhoods.

“The City of Chicago owes it to the residents we serve to be an equitable, inclusive, and transparent steward of our city dollars—and to use those dollars not only to provide world-class services to residents, but also to support the vibrant ecosystem of community-based delegate agencies that are embedded in our communities,” said Mayor Lightfoot. “I’m proud of the work we’ve done throughout my administration to both bolster equity among our delegate agencies and make reforms to our procurement process. With these executive orders, we will ensure that work continues.”

Delegate Equity Executive Order

The City of Chicago funds over 400 non-profit delegate agencies to deliver social services across seven departments through over 1,200 contracts totaling over \$280 million. The City, via this Executive Order, is committing to reducing the barriers that prevent many small, local, impactful community-based organizations from applying for City of Chicago contracts despite their strong track records.

This Executive Order contains the following components aimed at ensuring that the City equitably grants funding to local organizations that provide best-in-class services



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to our most vulnerable residents, especially those located in communities with the highest social service needs:

1. Requires best efforts from delegate contracting departments to complete outreach about grant opportunities to community areas less represented by delegate contracts.
2. Requires multiple departments to collaborate to produce uniform cross-departmental Delegate Agency standards for designing, promoting, and evaluating Request for Proposals; assessing the qualification and readiness of grantees; designing equity-focused weighted evaluation criteria; and more.
3. Codifies an Advance Mobilization policy for eligible delegates to receive 25% of the grant award after contracts are executed, and before work commences.
4. Institutes public reporting on delegate contract size and service locations by Chicago community area.
5. Mandates demographic data reporting for delegate agency governing board and top three executive staff.
6. Calls for a report to Mayor on feasibility and legal and operational advisability of more standardized participant demographic data collection, and data collection and/or contract goals regarding community area, city resident hire, or socio-economically disadvantaged area hire for delegate agreements.
7. Requires that, in delegate Request for Proposal processes, points are for organizations with a location in one or more geographic areas aligned with specific service needs, with an option for a case-by-case exemption.

The actions in this Executive Order align with the Mayor’s Strategic Plan for Equity in Contracting Health and Human Services or contracting with the City and what changes must be implemented to make the delegate grantmaking process more equitable, incorporating feedback from over 150 stakeholders including City of Chicago staff, current delegate agencies, non-funded social service organizations, philanthropy and community leaders. Those equity commitments were enhanced with \$18M in funding through the Chicago Recovery Plan to provide technical assistance, capacity-building and coaching to nonprofits wishing to contract with the City.

"Providing cash flow to small businesses is crucial to ensure their success," said Reshma Soni, Comptroller. "The Advance Mobilization Policy is one of our tools to provide prompt cashflow and payment to our Delegate Agencies who perform critical services and resources to our communities."



“Generating equitable health and social outcomes for our residents starts with designing and implementing equitable contracting processes,” said Jaye Stapleton, Deputy Mayor for Education and Human Services. “Since 2020, city leaders across departments have come together to review administrative data on our delegate agency contracts, engage with community stakeholders, and develop a holistic and wide-ranging strategic plan to embed equity into our contracting process from start to finish. This executive order enables the City to accelerate the work of the strategic plan so that our delegate agencies represent the diverse communities served by our programs.”

Equity in Contracting Reforms

Chicago possesses one of the most robust, dynamic, and diverse economies in the world, yet despite its great wealth and productivity, there nevertheless remains an unfortunate legacy of racial, ethnic, gender-based, and economic inequities, discrimination, and disparities in health, wealth, and wellbeing. The City of Chicago in recent years has prioritized a more inclusive and equitable approach towards procurement and contracting with the aim of leveraging the purchasing power the City holds via its more than \$5.4 billion annual budget to counter decades of disinvestment in communities across the City and continuing disparities in market participation by minorities and women in the wider economy. City of Chicago contracting must strive to meet top standards of fairness, efficiency, and stewardship of taxpayer dollars, while also advancing the goals of equity, diversity, and inclusion.

The Procurement Reform Executive Order builds off several steps Mayor Lightfoot has taken to prioritize a more inclusive and equitable approach to contracting. In the past, for example, Mayor Lightfoot’s Executive Order 2021-2 mandated Minority-Owned Business Enterprise and Women-Owned Business Enterprise Utilization Planning and Quarterly Reporting, as well as Business Diversity Reporting. Similarly, the Mayor and City Council codified the Office of Contracting Equity within the Department of Procurement Services in 2022.

The Executive Order contains the following components:

1. Requires that all contracts, regardless of whether they go through the Department of Procurement Services (DPS) or not, include Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) goals unless contrary to law or funding source. It also makes reforms to streamline cross-departmental data sharing and public posting of MBE and WBE utilization data and increases information gathering on sub-contractors.
2. Directs the CPO, Comptroller and Corporation Council to develop procurement process standards for departments exercising contracting



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authority outside of DPS; as well as development and implementation of annual training program and auditing schedule for compliance.

3. Directs the development of prompt, accelerated and advance payment programs by DOF and requires that departments participate in such programs.

4. Institutionalizes the unbundling of contract scopes as a best-practice to encourage more contracting opportunities for small and mid-sized businesses.

5. Requires a competitive bid process for general contractors and their sub-contractors for Redevelopment Agreements (RDA) in all cases except when a waiver is deemed appropriate based on the transparently established guidelines; Encourages inclusion of third-party estimating costs as allowable expense for RDA budgets; and encourages an annual assessment of how projects are maximizing diverse local business participation and advancing health and racial equity outcomes in communities.

6. Requires the collection, aggregation and posting of workforce data, including information on labor hours worked by residents of socio-economic disadvantaged areas (SEDA), for City construction contracts, RDAs and Chicago Plan Commission-approved projects; requires a recommendation to next Mayor and City Council regarding SEDA workforce goals on City construction contracts.

7. Requires contracting departments to use best efforts to promote contracting opportunities with historically marginalized groups and small local businesses.

“In a country with profound racial wealth gaps, we’ve realized that we cannot just focus on who benefits by living in affordable housing, we also need to focus on who is building wealth through the creation of the housing itself,” said DOH Commissioner Marisa Novara. “This is why over the past few years, we’ve worked and will continue to work to ensure BIPOC-led firms have the support, tools, and resources they need to promote their growth.”

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