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# CITY OF CHICAGO

## RULES

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### **APPRENTICE UTILIZATION BID PREFERENCE**

**UNDER 2-92-335**

**LAST UPDATED: JULY 31, 2015**



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**Mayor Rahm Emanuel**

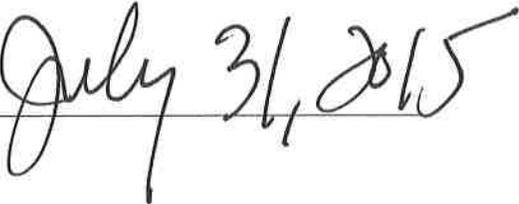
**Chief Procurement Officer Jamie L. Rhee**

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BY AUTHORITY VESTED IN THE CHIEF PROCUREMENT OFFICER FOR THE DEPARTMENT OF PROCUREMENT SERVICES PURSUANT TO **2-92-335**, THE FOLLOWING RULES REGARDING **APPRENTICE UTILIZATION BID PREFERENCE** ARE ADOPTED HEREIN.

By Order of the Chief Procurement Officer:

Signed:   
Chief Procurement Officer Jamie L. Rhee

Date: 

Published: **JULY 31, 2015**  
Effective: **JULY 31, 2015**

The City of Chicago offers a bid preference of up to 1% on City-funded construction contracts to contractors who have previously utilized union apprentices enrolled in, or that have graduated from, a construction technology training program administered by the City Colleges of Chicago on City-funded construction contracts.

Pursuant to Section 2-92-335 of the Municipal Code of Chicago, if a contractor utilizes union apprentices enrolled in, or that have graduated from a construction technology training program administered by the City Colleges of Chicago to complete 5% to 10% of the on-site labor hours for a City construction project, DPS will issue that contractor an Earned Credit Certificate which may be used for a 0.5% preference on a bid for a future City funded construction project.

If the contractor utilizes those union apprentices to complete 11% to 15% of the on-site labor house, DPS will issue that contractor an Earned Credit Certificate for a 1% bid preference on a future bid for a City-funded construction contract.

Section 2-92-335 of the Chicago Municipal Code reads as follows:

### **2-92-335 Contracts – Apprentice utilization.**

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

“Apprentice” means any person who is: (1) sponsored into an apprenticeship training program by a contractor that is authorized by a union to sponsor apprentices; and (2) enrolled in, or has graduated from, a construction technology training program administered by the City Colleges of Chicago. The union's apprenticeship training program must be registered with the United States Department of Labor, or approved or recognized by the State of Illinois.

“Bid incentive” means an amount deducted, for bid evaluation purposes only, from the contract base bid in order to calculate the bid price to be used to evaluate the bid on a competitively bid construction project.

“Construction project” means any project to be paid for by the City's Department of Procurement Services, but which is not funded in whole or part by any federal or state funds, to construct, remodel or reconstruct any public works, public buildings, public structures, roadways, parkways, bridges, parking facilities or parks, or any portion of any of the same, belonging to the City within its geographical boundaries as they exist or shall exist in the future.

“Contract base bid” means the total dollar amount a contractor bids on a construction project without factoring any bid incentive or percentage reductions to the bid amount.

“Earned credit” means the amount of the bid incentive allocated to a contractor upon completion of a construction project in which the contractor met or exceeded his or her goals for the utilization of apprentices in performance of the total labor hours performed under the contract.

“Earned credit certificate” means a certificate issued by the chief procurement officer evidencing the amount of earned credit a contractor has been awarded.

“Labor hours” means the total hours of workers receiving an hourly wage who are directly employed at the work site. “Labor hours” shall include hours performed by workers employed by the contractor and all subcontractors working at the work site. “Labor hours” shall not include hours worked by non-working foremen, superintendents, owners and workers who are not subject to prevailing wage requirements.

(b) (1) For any construction project advertised after the effective date of this ordinance having an estimated contract value of \$100,000.00 or more, and where not otherwise prohibited by federal, state or local law, the chief procurement officer shall allocate to any qualified bidder the following bid incentive for utilization of apprentices in performance of the total labor hours performed under contract.



<i>Total Labor Hours Performed By Apprentices</i>	<i>Bid Incentive</i>
5 to 10%	1/2% of the contract base bid
11 to 15%	1% of the contract base bid

The bid incentive shall be calculated and applied in accordance with the provisions of subsection (b)(2). The bid incentive is used only to calculate an amount to be used in evaluating the bid. The bid incentive does not affect the contract price.

For all construction projects advertised after the effective date of this ordinance, the chief procurement officer shall include the bid incentive provision in all such advertisements.

(2) As part of the contract close-out procedure, if the chief procurement officer determines that the contractor has successfully met his or her apprentice utilization goals, the chief procurement officer shall issue an earned credit certificate that evidences the amount of earned credits allocated to the contractor. The contractor may apply the earned credits as the bid incentive for any future construction project contract bid of equal or greater dollar value.

The earned credit certificate is valid for three years from the date of issuance and shall not be applied towards any future contract bid after the expiration of that period.

The contractor may apply the earned credit certificate on multiple future construction project contract bids during the three year period in which the certificate is valid, but may only receive one bid incentive for bid evaluation purposes on one construction project contract award. If the contractor applies the earned credit certificate on multiple construction project bids and is the lowest responsive and responsible bidder on more than one construction project bid, the earned credit certificate shall be applied to the construction project first to be advertised by the Department of Procurement Services, or if multiple construction project bids were advertised on the same date, the earned credit certificate shall be applied only to the construction project with the greatest dollar value.

(c) The contractor shall maintain accurate and detailed books and records necessary to monitor compliance with this section and shall submit such reports as required by the chief procurement officer, or the commissioner of the supervising department.

Full access to the contractor's and subcontractors' records shall be granted to the chief procurement officer, the commissioner of the supervising department, or any duly authorized representative thereof. The contractor and subcontractors shall maintain all relevant records for a period of at least three years after final acceptance of the work.

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

(Added Coun. J. 11-1-05, p. 59709, § 1; Amend. Coun. J. 9-5-07, p. 6553, § 1)

