



OFFICE OF THE MAYOR
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**MAYOR EMANUEL LAUNCHES TWO NEW PROGRAMS DESIGNED TO ENCOURAGE
GROWTH IN SMALL, WOMEN-OWNED AND MINORITY-OWNED BUSINESSES**

Programs will engage the private sector and create more opportunities for businesses without any additional cost to taxpayers.

Mayor Rahm Emanuel today announced two innovative new programs which will save taxpayers money and increase the amount of contracting with small, minority- and women-owned businesses.

"I am committed to finding every way to maximize the value of taxpayer dollars, to encourage growth and development of business in Chicago," said Mayor Emanuel. "These programs will leverage taxpayer resources to get a better deal for the City and promote growth in our small, minority- and women-owned businesses."

The first program, called the Small Business Initiative, is designed specifically to encourage small businesses to have an opportunity to participate in City-funded construction projects. The program, which will be race and gender neutral, will be exclusive to small businesses and will be limited to construction projects that are under \$3 million in total cost. This will provide a level playing field for small businesses to compete in the construction space, a key area in which larger companies are at an inherent advantage.

The second program, known as the Diversity Credit Program, is designed to increase the use of minority and women-owned businesses on contracts issued in the private sector. This will be accomplished by providing Supplier Diversity participation credit on City contracts for contracts that are awarded in the private sector. For every \$3 of private sector contracts, \$1 in credit will be issued to the contractor, which can then be used to provide



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up to 5 percent of a subsequent city contract. This encourages some of Chicago's largest construction contractors to work with minority- and women-owned businesses – not only in the public sector, but in the private sector as well.

Under current City of Chicago guidelines, every \$100 million that is contracted with outside firms leads to \$28 million in contracts for minority- and women-owned firms. Under this new program, the total contract value to minority- and women-owned firms could be \$38 million. This amounts to an approximate 36 percent increase over what the City can do on its own, significantly increasing business for minority- and women-owned firms at no cost to taxpayers.

Jamie Rhee, the Chief Procurement Officer for the city, said these deals are essential to spur growth in these key areas.

"It's not enough that we're committed in City government to supporting our small businesses and women- and minority-owned businesses," said Jamie Rhee, Chief Procurement Officer for the City of Chicago. "We must involve the private sector, the non-profit community, and the whole City of Chicago. Everyone's support and involvement is crucial to our success."

The Mayor was joined by John Rogers, who chairs an informal working group that meets regularly to advise the Mayor on strategies to expand M/WBE and small business initiatives.

The new programs will take effect immediately.

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