

Office of Business Diversity

Minority and Women Owned
Business Enterprises
December 14, 2011

To promote access to procurement opportunities for Construction, Goods and Services for certified Minority and Women Owned Business Enterprises

Address Discriminatory Barriers:

Assist in building the capacity of M/WBE firms to compete in their industry and assist in the design of solicitations

Assign Contract Specific M/WBE Goals:

Assign goals based on availability in specific industry and market trends for Board-approved purchasing contracts

Monitor and Report Compliance:

Monitor actual dollars paid for all industries and equal employment opportunity compliance

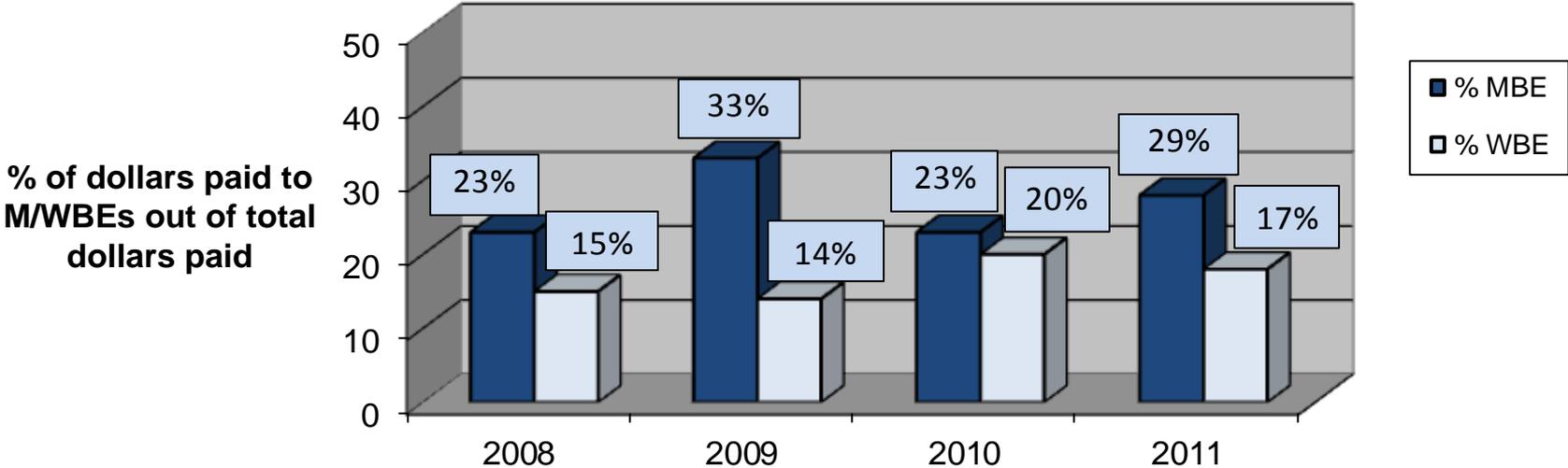
Goods and Services

How we monitor:

- OBD staff collect signed and notarized Monthly Utilization Reports (MURs) from all Prime Vendors. The MURs report Prime Contractor and Sub Contract expenditures on a monthly basis.
- Oracle is utilized as a check and balance of expenditures paid.

Aspirational Goals for M/WBE participation in Goods and Services Contracts: 30% MBE and 7% WBE

Board Approved Contracts for Goods and Services



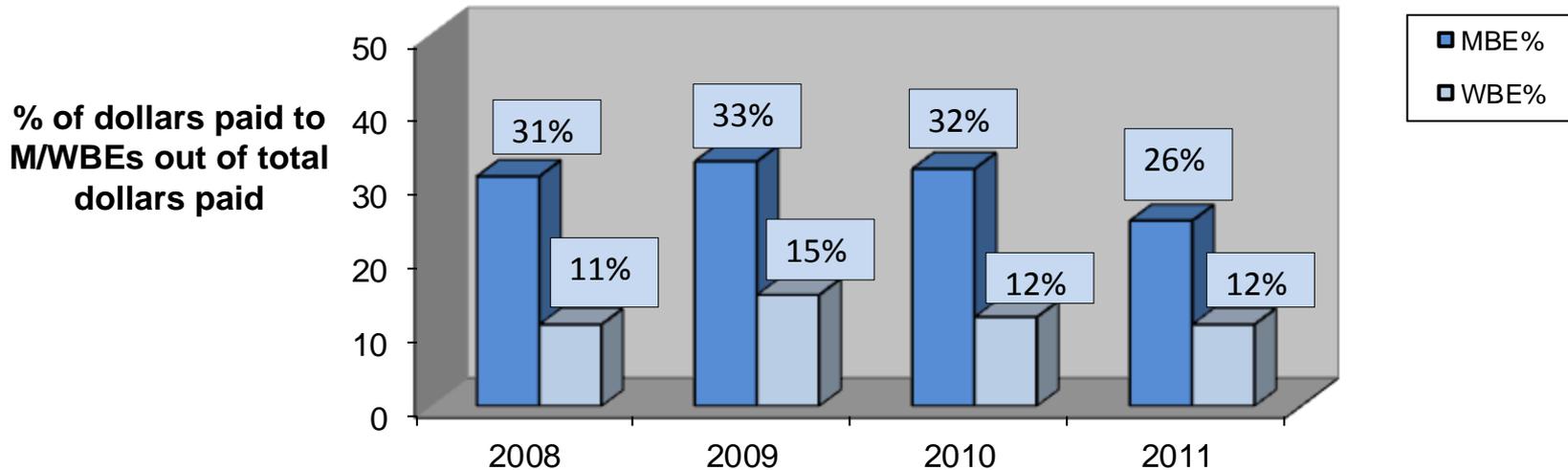
Construction

How we monitor:

- Current monitoring practice: Manually enter hundreds of paid invoices to ensure that the Prime Contractors and Subcontractors were paid correctly.
- Future monitoring practice: Prime Contractors will utilize new software (Primavera) to input M/WBE payments on a real time basis.

Aspirational Goals for M/WBE participation in Construction: 30% MBE and 7% WBE

Board Approved Contracts for Construction



History of M/WBE Policy

1991 → The Board determined that there was a compelling basis for a M/WBE plan and adopted The Remedial Plan for Minority and Women Business Enterprise.



2004 → CPS reviewed its own M/WBE program and determined it was necessary to develop a new, separate Construction program similar to the City of Chicago's program.



2006 → The Board conducted additional research and adopted a new M/WBE Program for construction contracts.



2011 → Dr. David G. Blanchflower, Professor of Economics at Dartmouth College, researched and prepared a report titled *Availability and Utilization of Minority- and Women-Owned Businesses for the Chicago Public Schools*



Based on Dr. Blanchflower's findings, we believe the Board has a compelling interest to the continue the M/WBE Program for Construction contracts

Continuation of Policy

- We are not recommending any major changes to the policy.
- Based on Dr. Blanchflower's findings, we recommend the continuation of the annual goals:
 - 30% of the annual dollar value of all construction contracts to qualified MBE's
 - 7% to qualified WBE's.
- We recommend that the Office of Business Diversity (OBD) sets Contract Specific Goals for all contracts, not just contracts over \$1million; and is authorized to allow contracts to be advertised without goals in order to evaluate the marketplace.
- We recommend updates to reflect current organizational structure
- We recommend that OBD submits annual supplier diversity reports to the Board summarizing M/WBE participation.

Urban Prep West High School

Project Budget:
\$9,990,000

Change order
rate: <1%



Before – Medill Training Center



After – Urban Prep

“You only get one shot to make a first impression, and you helped us make the right impression.”

---Craig Carter, Urban Prep Vice President and CFO

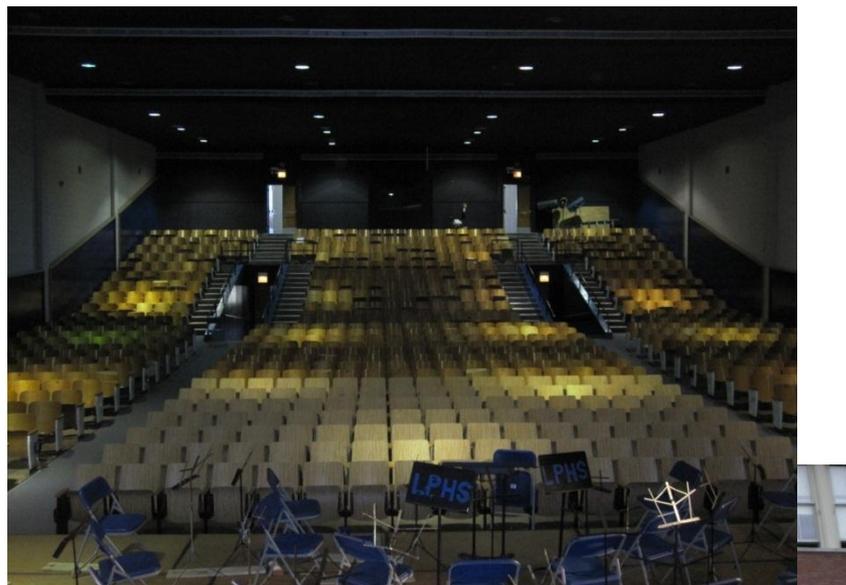
DuSable High School



The masonry project was finished almost entirely within the summer months, even though contractually they were to be complete by November 2011.

Lincoln Park High School

Before



After



Beasley Elementary School

Project Budget:
\$7,531,000

Change order
rate: <1%



The overall success of this project was due to all parties understanding the limited window of opportunity to complete the construction and working closely to strictly adhere to a tight schedule.

O'Toole Elementary School



Before



After

Since O'Toole is a Track E schedule school, the construction window provided limited access to the site while no students were present. The school and contractors worked as a team to ensure a safe, successful completion of projects.