



OFFICE OF THE MAYOR
CITY OF CHICAGO

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**MAYOR EMANUEL ANNOUNCES NEW GRADUATION PHASE-OUT PROGRAM FOR
MINORITY- AND WOMEN-OWNED BUSINESSES DURING VISIT TO CHATHAM
BUSINESS ASSOCIATION**

*Mayor Meets With More Than 30 Business Owners to Discuss Challenges, Opportunities of
Economy*

Mayor Rahm Emanuel today visited the Chatham Business Association, meeting with dozens of small business owners to discuss the challenges and opportunities these businesses are facing in the marketplace. The Mayor, along with Jamie Rhee, the Commissioner of the City's Department of Procurement, announced an innovative program today that will help minority- and women-owned businesses "graduate" from the city's Minority and Women Business Enterprise ("MWBE") program and transition into the marketplace.

"Our goal is to help minority- and women-owned businesses grow to the point they can compete in the marketplace," said Mayor Emanuel. "Today's announcement is a great step forward in this goal and will help us ensure that these companies have a smooth transition from the program into the open market. It's a win-win for everyone involved and will create important jobs and opportunities in our neighborhood."

A thriving minority- and women-owned business community is essential in a world-class city, and Chicago focuses on this business community through its MWBE Procurement program designed to meet annual goals for the participation of minority- and women-owned businesses in the City's construction and non-construction contracts.



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The MWBE program's goal is to help minority and women-owned businesses grow from small businesses in the program, to self-sustaining medium or large businesses that have succeeded beyond the program. After the MWBE businesses exceed certain size standards, they graduate from the MWBE program with the objective of continued growth and success, whether it in government contracting or the private sector marketplace.

"One of our top goals is making sure that minority- and women-owned businesses can grow and find a consistent, stable place in the market. This announcement will allow us to ensure that our companies are able to smoothly transition out of the program and into the marketplace, where they can continue their growth and expansion," said Rhee.

This program will apply retroactively to businesses that became established in calendar year 2011. All businesses that became "Established Businesses" (met graduation requirements) in 2011 are eligible to receive credit applied as follows: for the firm's first year as an Established Business, the firm will receive 75% credit for participation in City contracts, i.e., for each dollar (\$1.00) paid to such firms, the prime contractor will be credited for seventy-five cents (\$0.75) of participation. For the second year, as determined by the anniversary date of the firm becoming an Established Business, the firm will receive 50% credit, and then will receive 25% credit during the third year as determined by the anniversary date of the firm becoming an Established Business.

Established Businesses will also remain eligible for participation in the MBE/WBE program through the City's Diversity Credit Program for the same period of time and at the same levels of credit granted for work performed directly on City projects, which credit is further reduced to one dollar for every three spent, as required by City ordinance.

The goal is that phased-out graduation over three years after becoming Established Businesses will provide minority- and women-owned businesses the vital support, tools, and confidence necessary to achieve lasting success far exceeding the strictures of the City's MWBE program.

The participants at the roundtable were excited by the new approach to graduating companies out of the M/WBE program.



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“The mayor asked members of the minority and women owned business communities to describe the issues we face, and provide him with solutions,” said Deborah Sawyer of Environmental Design, Inc. “As part of the Mayor’s Supplier Diversity Taskforce, I have seen the Mayor and his staff implement several critical initiatives in record time. Today’s announcement is exciting; Mayor Emanuel not only brought the City’s Supplier Diversity Program into the 21st century, but to the forefront. In the past, when an M/WBE hit the revenue or personal net worth ceiling, the phone would literally stop ringing. These still very small M/WBE companies then had to compete for work with large companies and it was an unfair contest. Today’s announcement by the Mayor will help small companies to compete as they grow and strengthen beyond the program.”

“I came to Chatham during the campaign, and I’m here again, because I want Chatham, and places like Chatham, to have the same type of growth, investment, and opportunity as we see downtown,” said Mayor Emanuel.

The program requires City Council approval. It will be introduced next month.

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Mayor Emanuel and Chief Procurement Officer Jamie Rhee listen as business owners discuss their challenges at the Chatham Business Association Roundtable. (Photo credit: Brooke Collins, City of Chicago)



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Melinda Kelly, president of the Chatham Business Association, looks on as Mayor Emanuel jokes with a business owner during the roundtable discussion on January 19, 2012. (Photo credit: Brooke Collins, City of Chicago).

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