



COOK COUNTY GOVERNMENT ANNUAL BUSINESS DIVERSITY REPORT PRESENTATION FISCAL YEAR 2018

TONI PRECKWINKLE, PRESIDENT

COOK COUNTY BOARD OF COMMISSIONERS

COMMISSIONER STANLEY MOORE, CHAIRMAN

COMMITTEE ON CONTRACT COMPLIANCE

EDWARD H. OLIVIERI, DIRECTOR

OFFICE OF CONTRACT COMPLIANCE

MISSION

The mission of the Office of Contract Compliance (OCC) is to ensure the full and equitable participation of minority, women and veteran-owned businesses (MBE/WBE/VBE) in the procurement process as both prime and sub-contractors for Cook County Government and Cook County Health and Hospitals Systems (CCH). The OCC seeks greater inclusion of MBE, WBE and VBEs on County and CCH contracts by conducting outreach activities to the business community about the County's Program.

HISTORY OF M/WBE PROGRAM

- First enacted in 1988, the M/WBE Program was designed to remediate past County discrimination against minorities and women on construction contracts.
- The Program evolved over time to apply also to goods and services contracts, as well as professional services contracts; ultimately being extended to health and hospital contracts.
- In 2000, the construction portion of the Program was ruled unconstitutional, and Cook County was without M/WBE on construction for several years.
- Under the leadership of President Preckwinkle, the Program now is on firm constitutional footing supported by Cook County's first ever Disparity Study in 2013.

CONSTITUTIONALLY DEFENSIBLE PROGRAM

- The Program is subject to Strict Scrutiny, the most exacting form of judicial review, which requires that Cook County establish 1) that the County participated in discrimination against minorities and women; and 2) that its program to remedy those past wrongs is narrowly tailored to accomplish its remedial purpose.
- The Program follows the format of the federal DBE program which includes caps on personal net worth and adherence to the SBA size standards.
- The Program is supported by a Disparity Study and includes a sunset date to ensure continuous econometric analysis to justify the Program's maintenance

NARROWLY TAILORED PROGRAM

- Goals are set on a contract-by-contract basis, no blanket goals or quotas
 - Size of the contract, term of the contract, amount of subcontracting opportunity, availability of M/WBEs to provide a commercially useful function on the contract
- Waiver Review Process when Good Faith Efforts to achieve the goals are demonstrated
- Race and Gender-Neutral Measures to remedy past discrimination
 - Prompt Payment Provision in Cook County Ordinance
 - Outreach Program (OCC, OCPO and User Departments partnering with Commissioners, Assist Agencies and other units of government)
 - Anti-Discrimination Enforcement (Cook County Commission on Human Rights, OIIG, OCC)
 - Unbundling large contracts (OCC, OCPO and User Departments)
 - Holding pre-bid conferences (OCPO)
 - Providing timely information on contracting opportunities and establishing schedules for submitting bids with adequate time (OCC and OCPO)

OFFICE OF CONTRACT COMPLIANCE: WHAT WE DO

Certification

Certify Minority-, Women-, Veteran- and Service Disabled Veteran and Person with Disability-Owned Business Enterprise

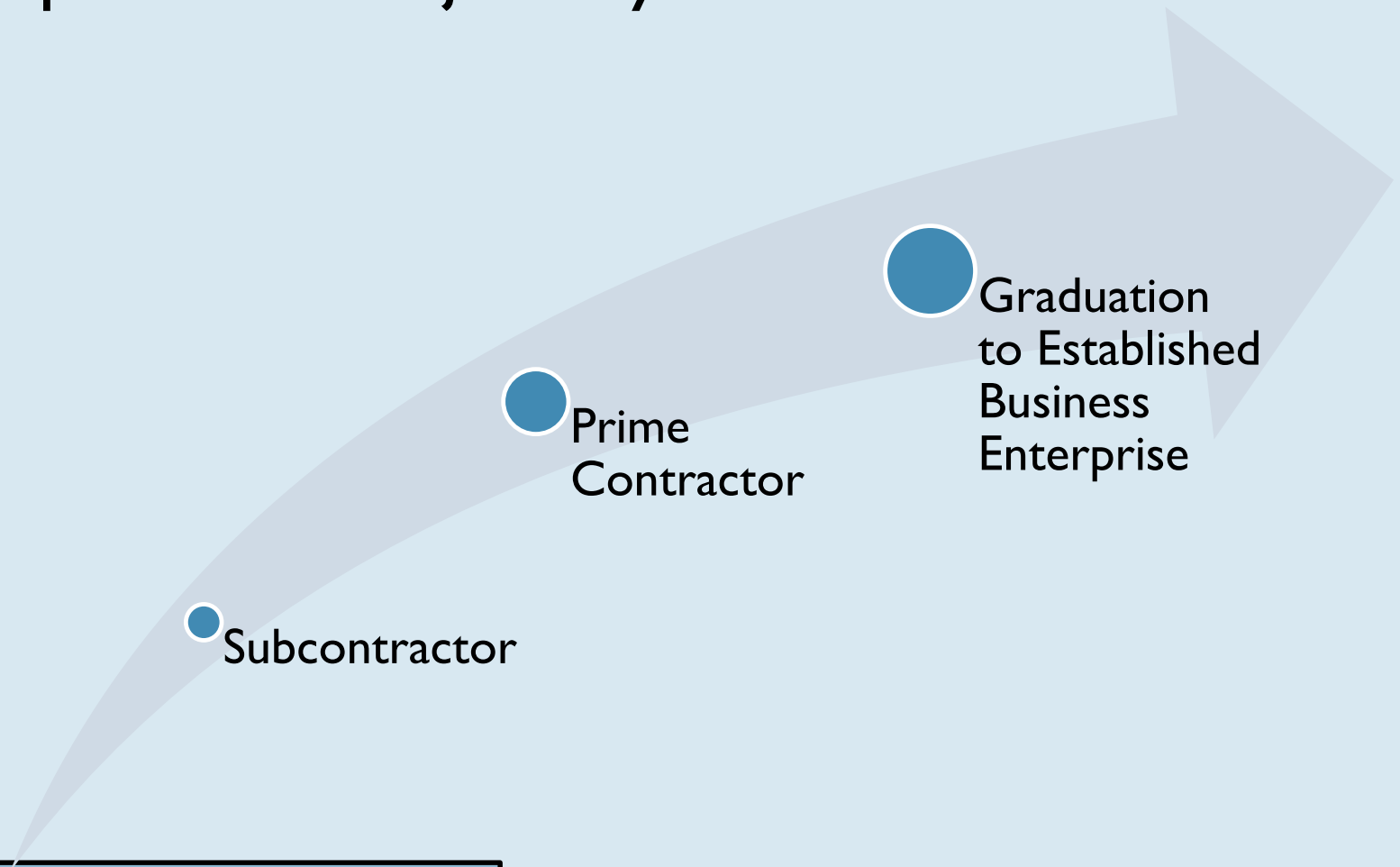
Compliance

Set contract goals; Evaluate waiver requests; Track and monitor contracts for compliance on the committed level of M/WBE participation

Outreach

Conduct vendor outreach activities

Aspirational Trajectory of a M/WBE Firm

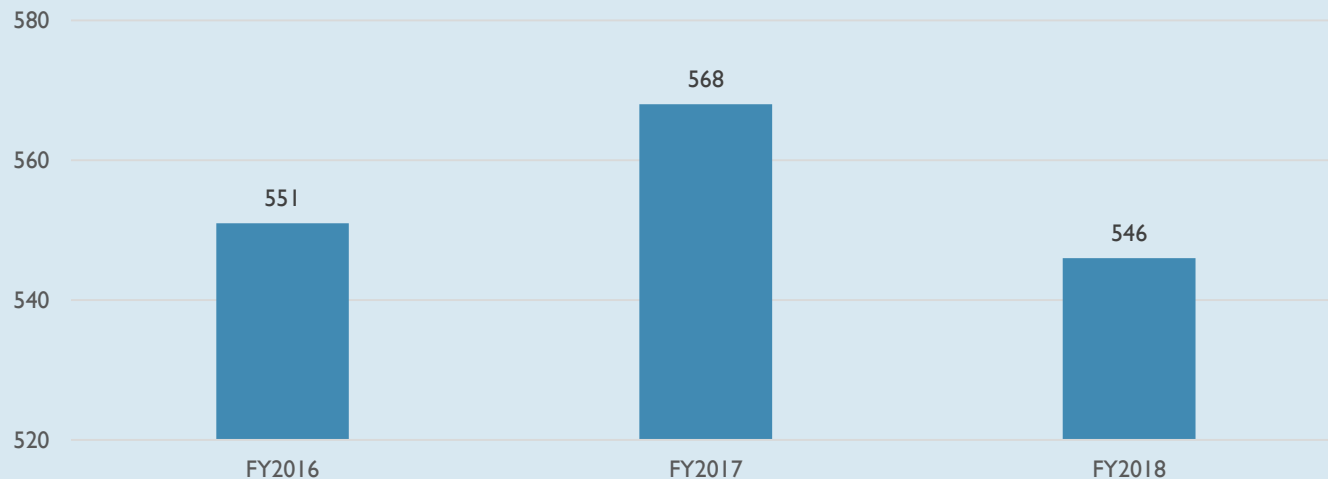


Certification as an MBE or WBE

CERTIFICATION REQUIREMENTS

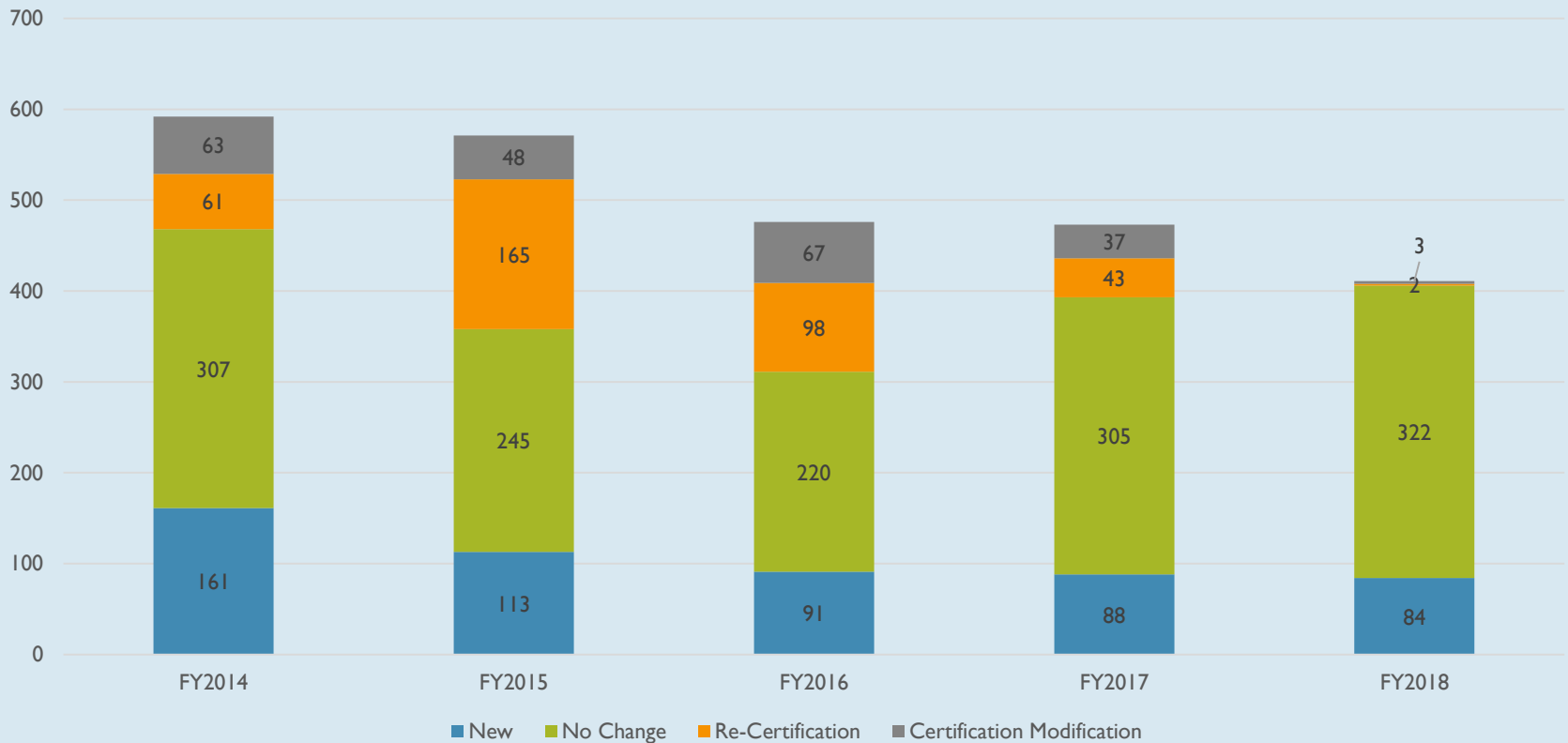
- ✓ 51%+ Ownership by Socially and Economically Disadvantaged Women/Minorities
- ✓ Owners Personal Net Worth capped at \$2 Million + Consumer Price Index (Currently ~\$2.3Million)
- ✓ Business cannot exceed US Small Business Administration Size Standards (Based on 5 year average)

TOTAL CERTIFIED FIRMS BY FISCAL YEAR



CERTIFICATION APPLICATIONS PROCESSED BY TYPE

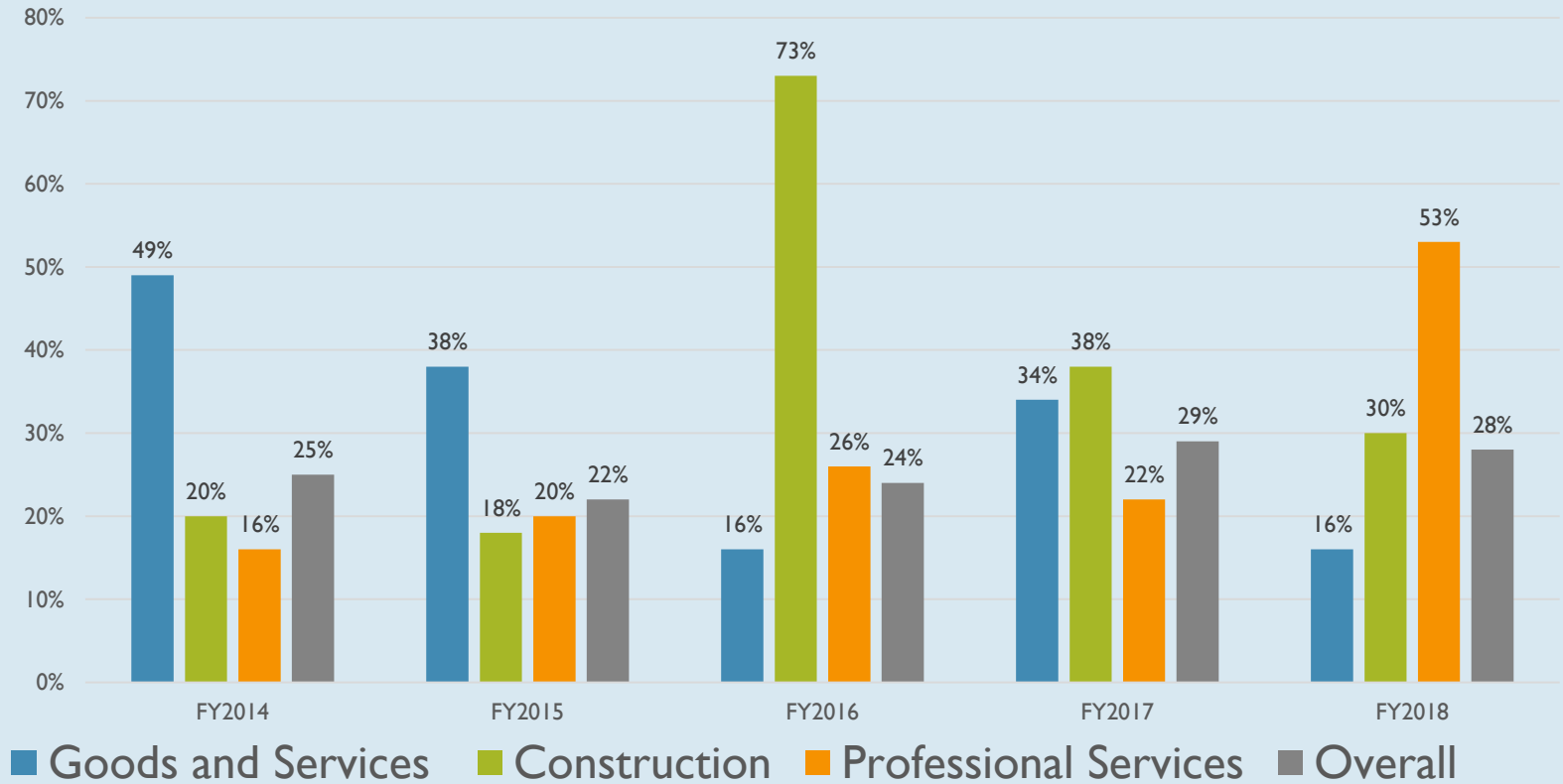
Certification Applications Completed by Type



ASPIRATIONAL CONTRACT GOALS

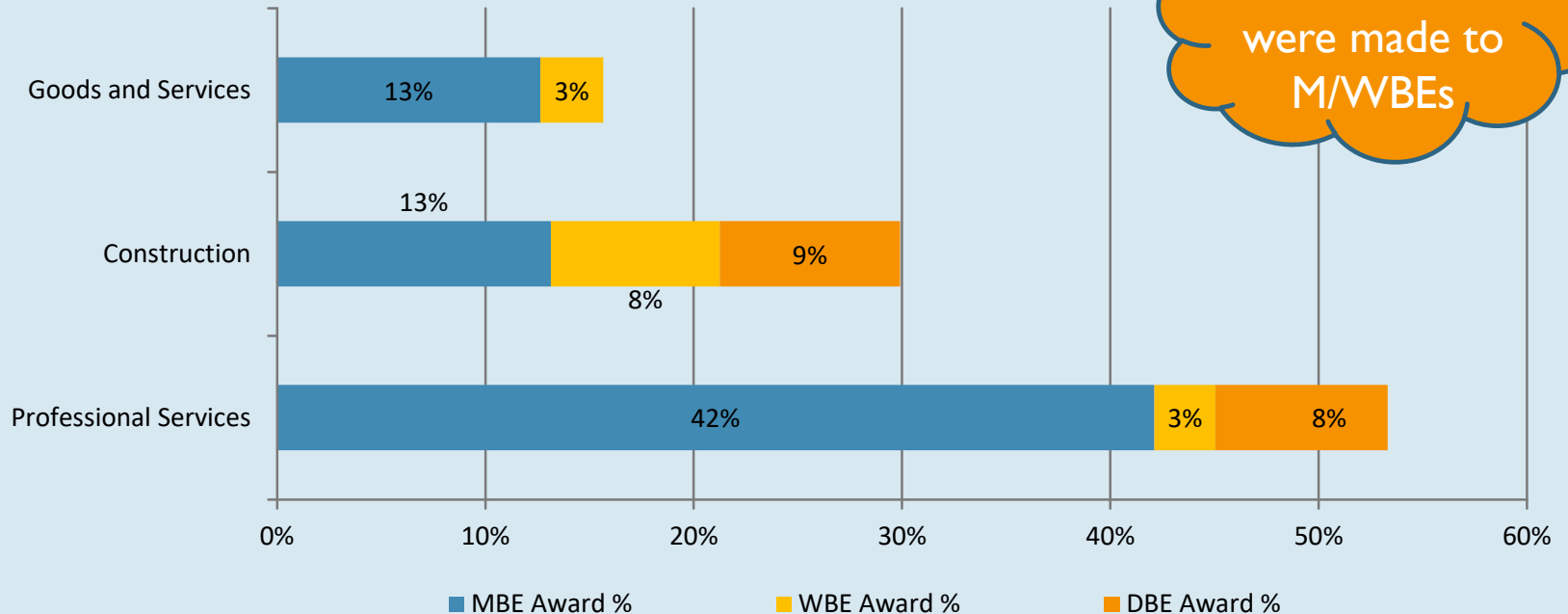
Contract Type	MBE	WBE
Goods and Services	25%	10%
Construction	24%	10%
Professional Services	35% Overall	

COOK COUNTY GOVERNMENT COMPARISON OF COMMITMENTS BY FISCAL YEAR AND CATEGORY FY2014-FY2018



COOK COUNTY GOVERNMENT COMMITMENTS FY2018*

FY 2018 Participation by Contract Type



28% of total commitments were made to M/WBEs

*Excludes CVS Caremark contract for employee prescription drugs

COOK COUNTY GOVERNMENT FY2018 M/WBE COMMITMENTS BY ETHNICITY

MBE Commitments by Ethnicity

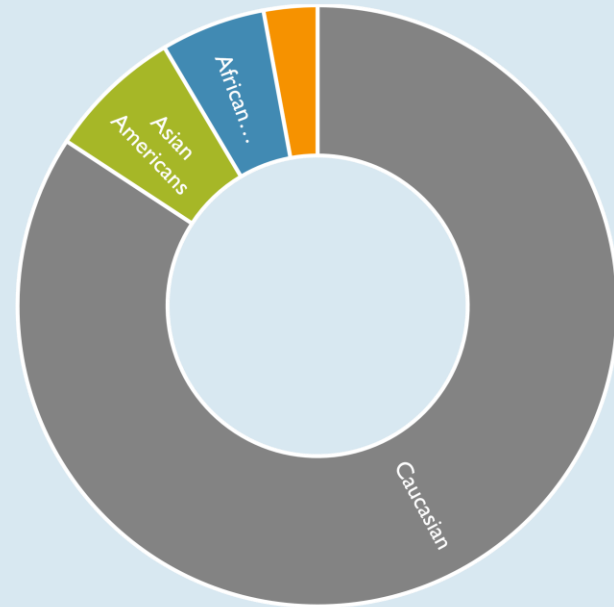
■ African Americans
 ■ Asian Americans
 ■ Hispanic Americans



African American 39% Asian American 34%
 Hispanic American 27%

WBE Commitments by Ethnicity

■ African Americans
 ■ Asian Americans
 ■ Hispanic Americans
 ■ Caucasian

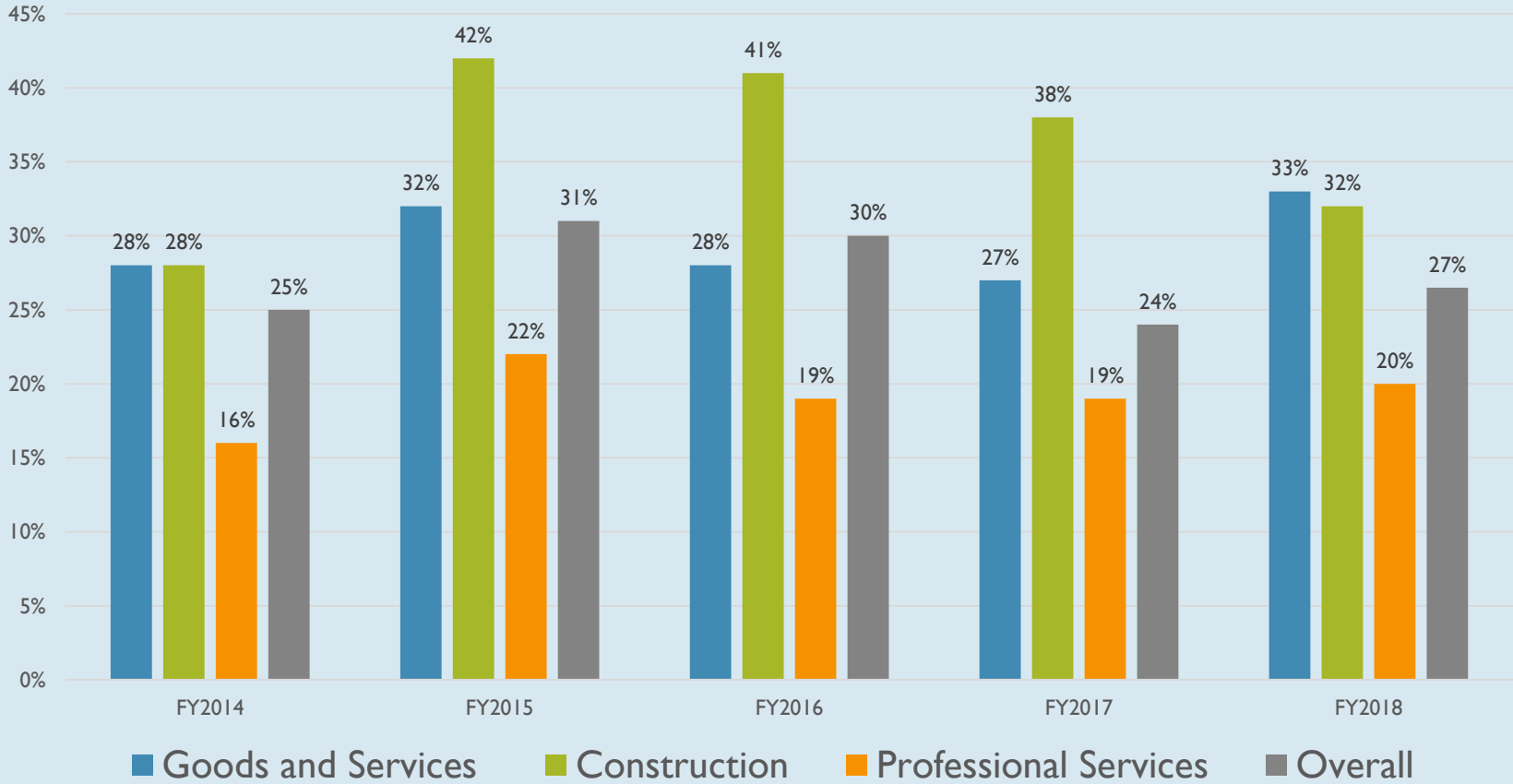


African American 6% Asian American 7%
 Hispanic American 3% Caucasian 84%

COOK COUNTY GOVERNMENT FY2018 COMMITMENT HIGHLIGHTS

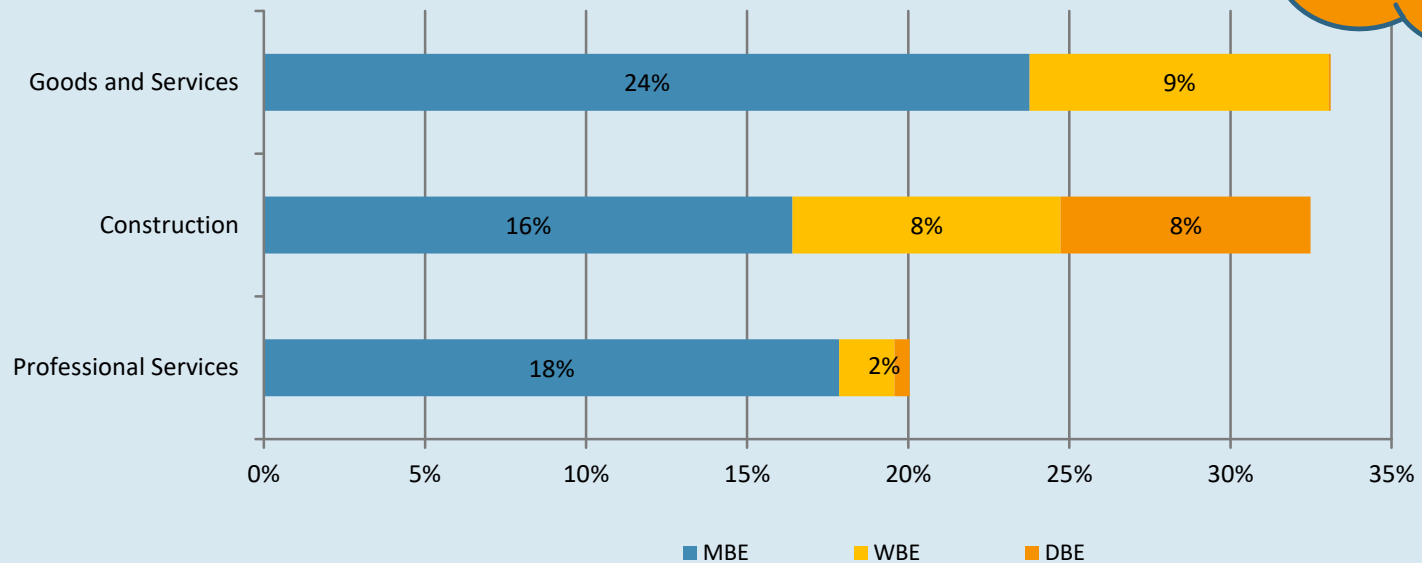
- \$34,646,968 Committed to MBEs
- \$7,625,365 Committed to WBEs
- \$7,238,841 Committed to DBEs
- \$5,598,319 (16%) of MBE Commitments were made to Women-Owned MBEs
- 53% of Professional Services Commitments* made to M/WBEs, the highest ever

COOK COUNTY GOVERNMENT COMPARISON OF PAYMENTS BY FISCAL YEAR AND CATEGORY FY2014-FY2018



COOK COUNTY GOVERNMENT M/WBE PAYMENTS FY2018

Participation by Contract Type

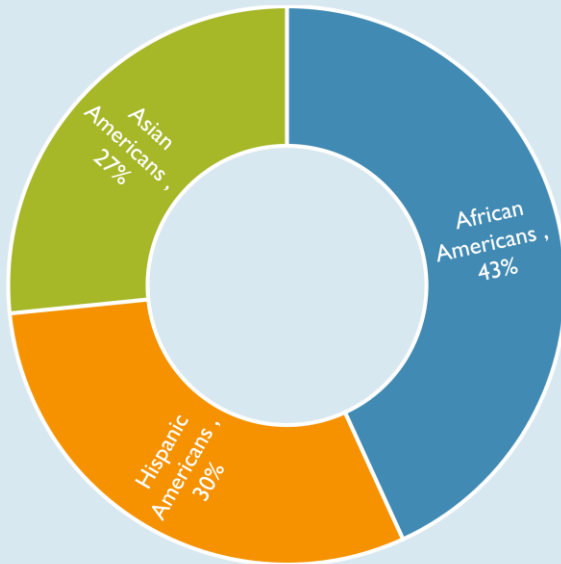


27% of total payments were made to M/WBEs

COOK COUNTY GOVERNMENT FY2018 M/WBE PAYMENTS BY ETHNICITY

MBE Payments by Ethnicity

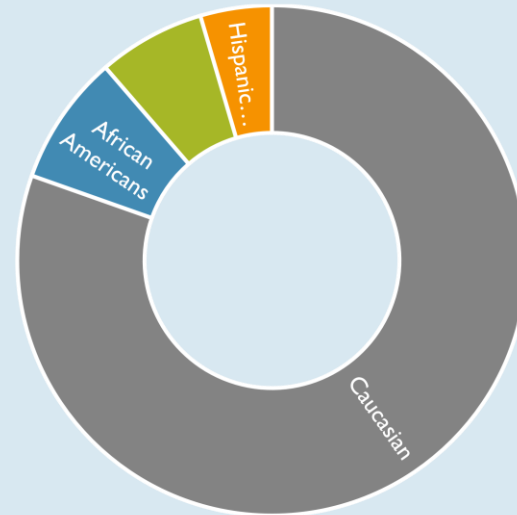
■ African Americans ■ Asian Americans ■ Hispanic Americans



African American 43% Asian American 27%
Hispanic American 30%

WBE Payments by Ethnicity

■ African Americans ■ Asian Americans
■ Hispanic Americans ■ Caucasian



African American 8% Asian American 7%
Hispanic American 5% Caucasian 80%

COOK COUNTY GOVERNMENT FY2018 PAYMENT HIGHLIGHTS

- \$47,271,634 Paid to MBEs
- \$13,162,130 Paid to WBEs
- \$4,900,437 Paid to DBEs
- \$8,950,593 (19%) of MBE Payments were made to Women-Owned MBEs
- 33% of Goods and Services Payments made to M/WBEs, the highest ever
- \$624,398 Paid to M/WBEs on Sole Source Contracts

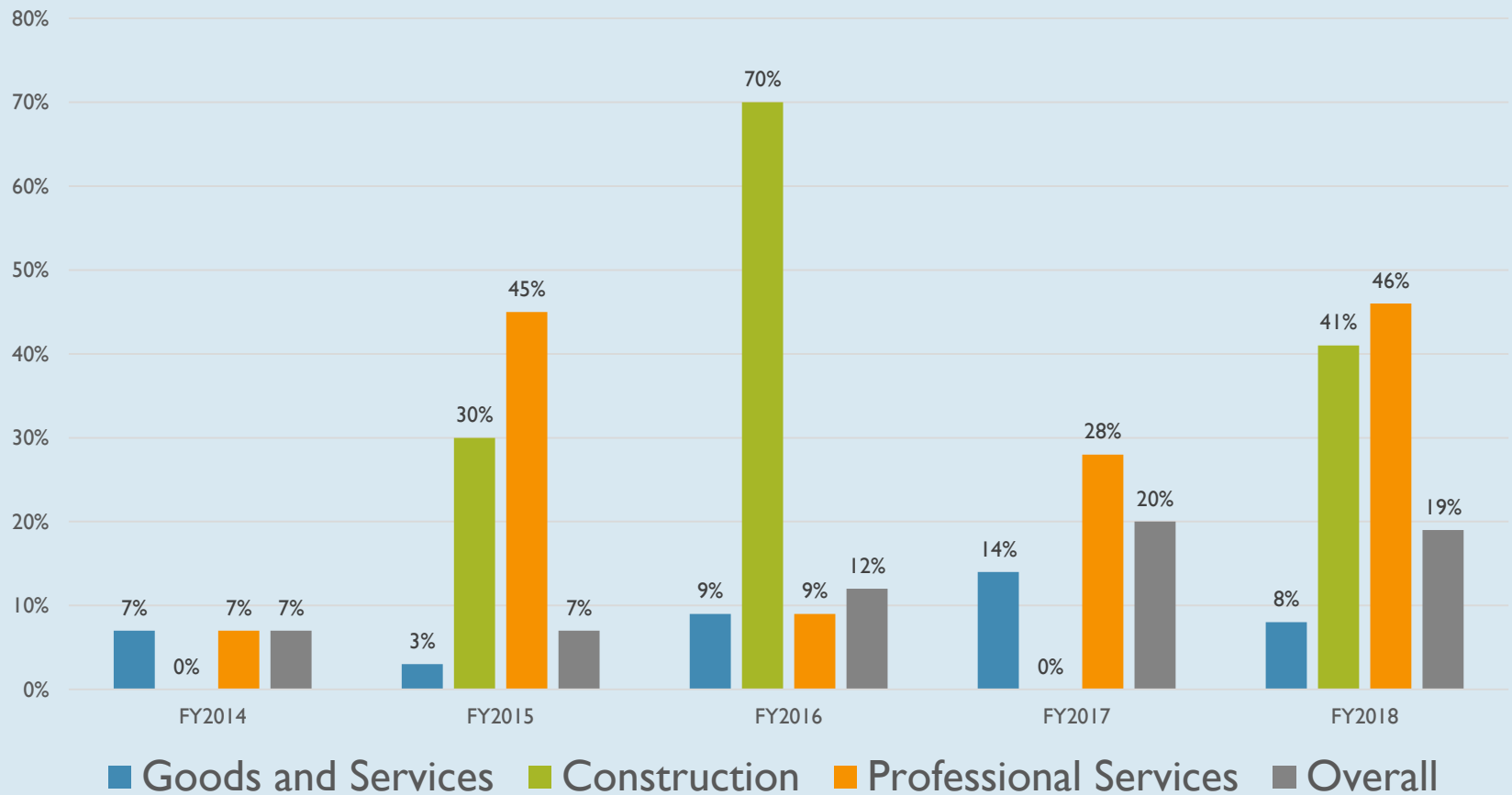
M/WBE PARTICIPATION @



COOK COUNTY
HEALTH

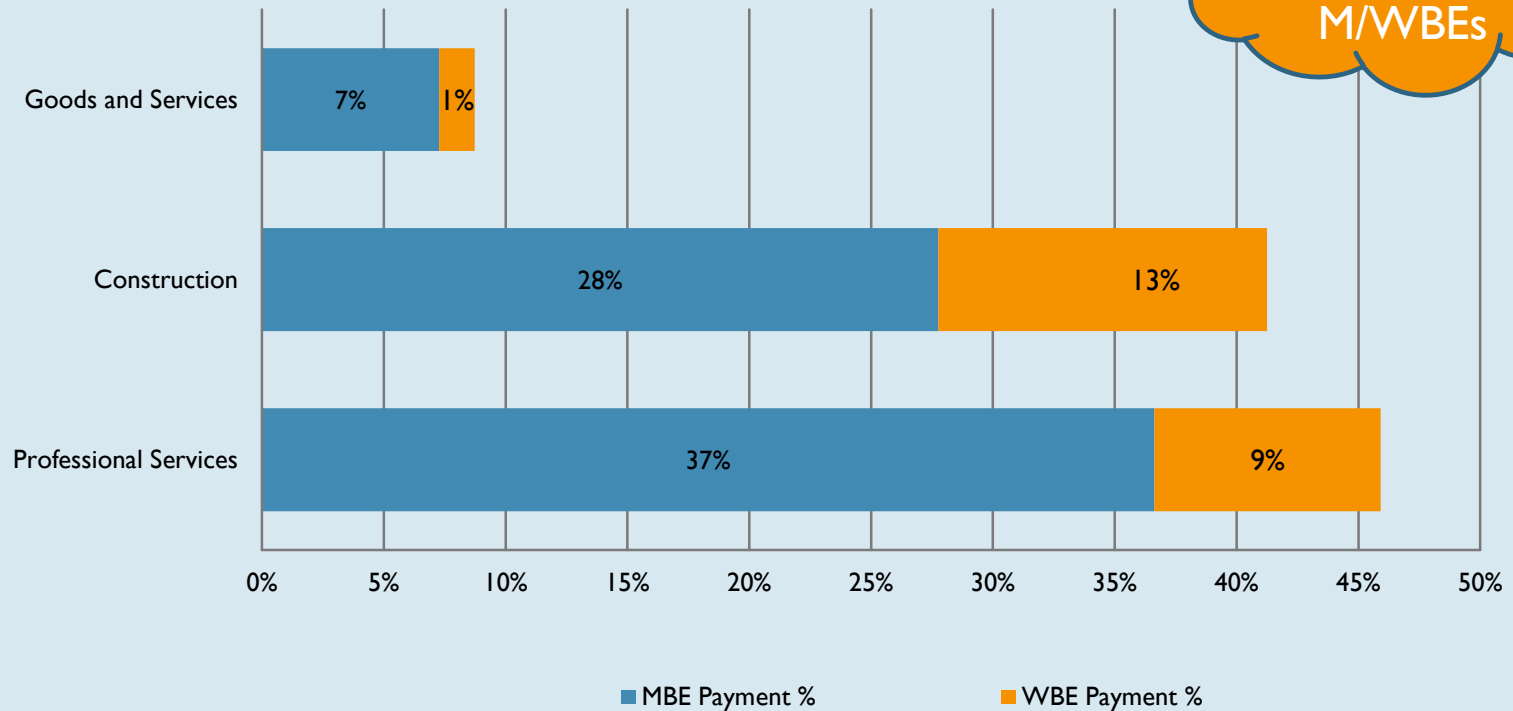
- The Office of Contract Compliance enforces the M/WBE Ordinance on Cook County Health and Hospital System contracts
- OCC sets M/WBE goals on CCH contracts, reviews waiver requests, monitors compliance on contract goals
- OCC collaborates with CCH Department of Supply Chain Management to source all CCH procurements across the three contract categories: Goods and Services; Construction and Professional Services
- OCC monitors contracts that are traditionally let and that are submitted to Vizient, Inc., CCH's Group Purchasing Organization
- OCC and CCH engage in outreach to expand M/WBE participation on CCH contracts

COOK COUNTY HEALTH COMPARISON OF COMMITMENTS BY FISCAL YEAR AND CATEGORY FY2014-FY2018



COOK COUNTY HEALTH M/WBE COMMITMENTS FY2018

Participation by Contract Type

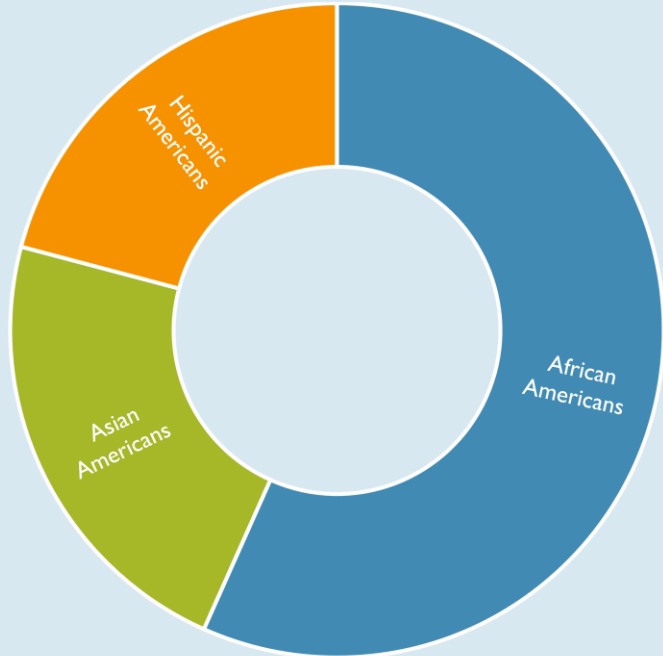


19% of total commitments were made to M/WBEs

COOK COUNTY HEALTH FY2018 M/WBE COMMITMENTS BY ETHNICITY

MBE Participation by Ethnicity

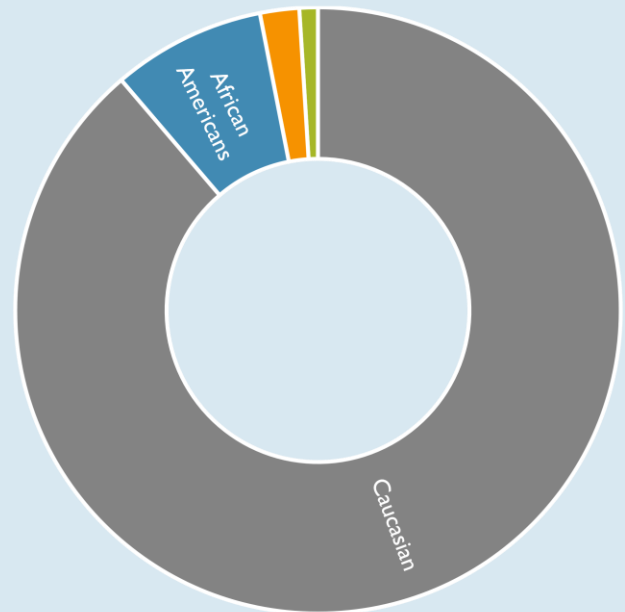
■ African Americans ■ Asian Americans ■ Hispanic Americans



African American 57% Asian American 22%
Hispanic American 21%

WBE Participation by Ethnicity

■ African Americans ■ Asian Americans
■ Hispanic Americans ■ Caucasian

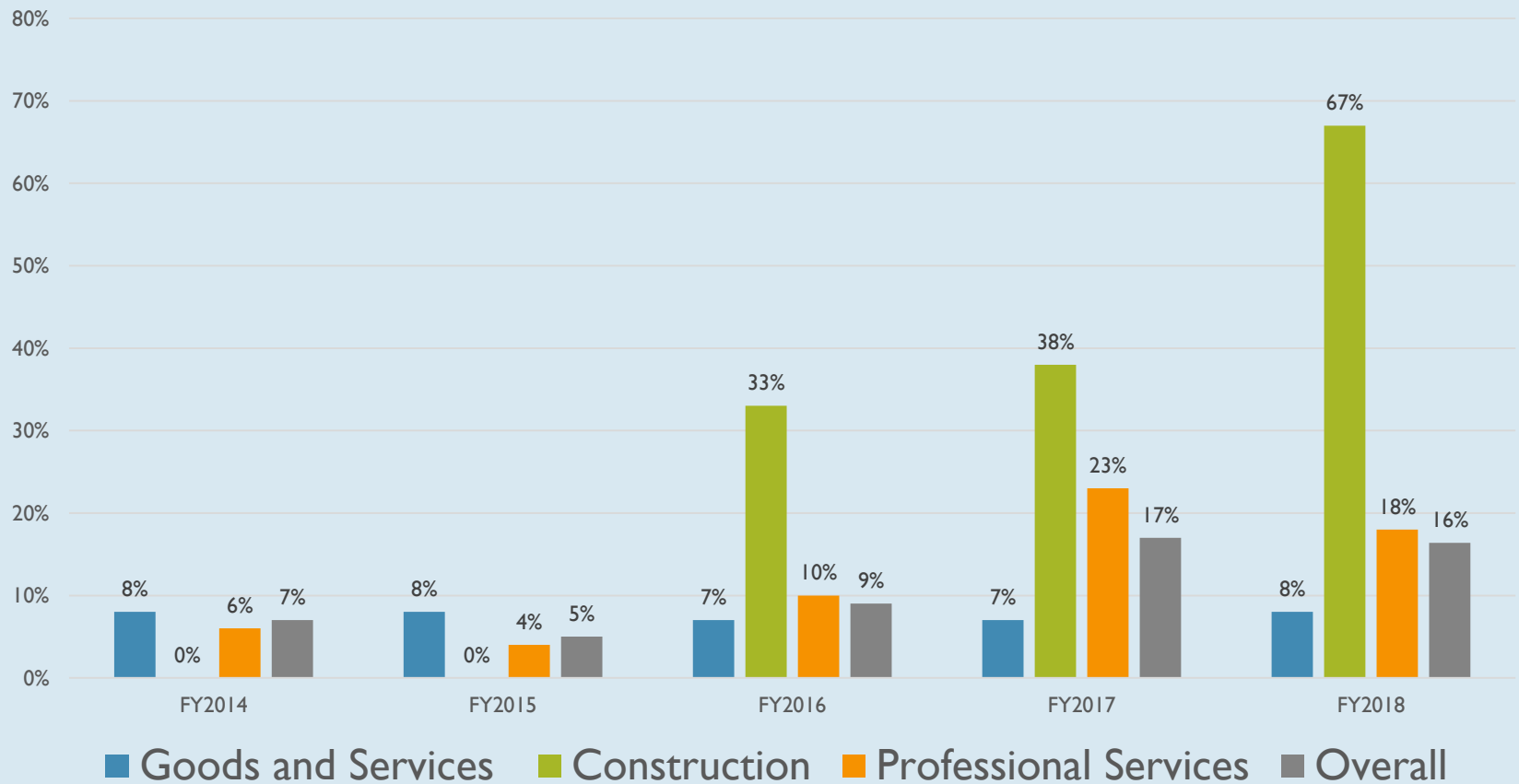


African American 8% Asian American 0%
Hispanic American 2% Caucasian 90%

COOK COUNTY HEALTH FY2018 COMMITMENT HIGHLIGHTS

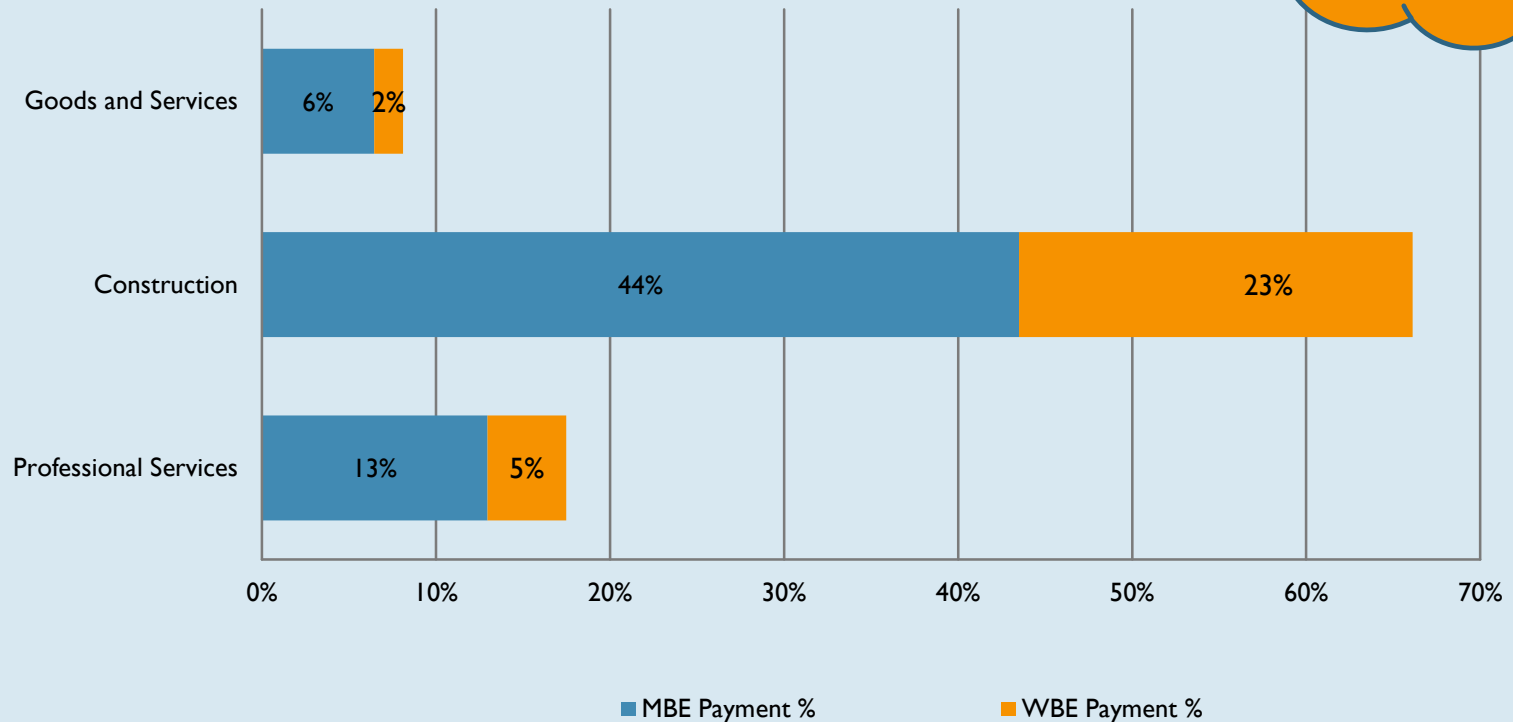
- \$26,763,548 Committed to MBEs
- \$6,765,886 Committed to WBEs
- 46% of Professional Services Commitments made to M/WBEs, the highest ever
- 41% of Construction Commitments made to M/WBEs, second highest ever
- \$15,021,613 (56%) of MBE Commitments were made to Women-Owned MBEs
- \$8,205,864 in Sole Source Commitments were made to M/WBEs
- Excluding Zero Goal and Sole Source Contracts, CCH Commitments to M/WBEs is 31.3%
- CCH FY2018 Commitments and Payments nearly tripled in three years.

COOK COUNTY HEALTH COMPARISON OF PAYMENTS BY FISCAL YEAR AND CATEGORY FY2014-FY2018



COOK COUNTY HEALTH M/WBE PAYMENTS FY2018

Participation by Contract Type

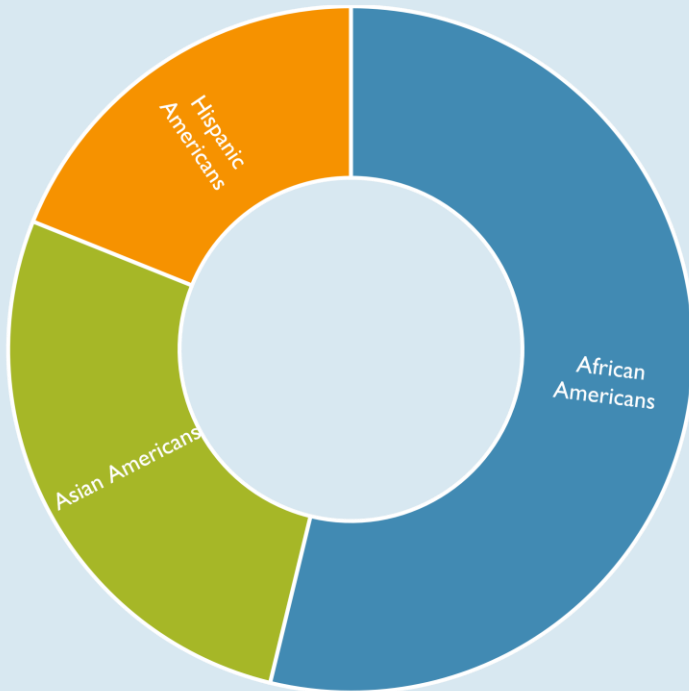


16.4% of total payments were made to M/WBEs

COOK COUNTY HEALTH FY2018 M/WBE PAYMENTS BY ETHNICITY

MBE Payments by Ethnicity

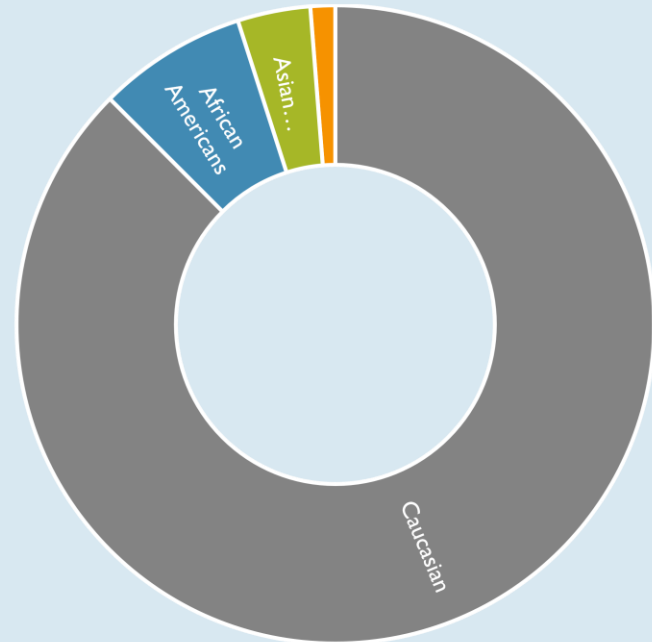
■ African Americans ■ Asian Americans ■ Hispanic Americans



African American 54% Asian American 27%
Hispanic American 19%

WBE Payments by Ethnicity

■ African Americans ■ Asian Americans
■ Hispanic Americans ■ Caucasian



African American 8% Asian American 4%
Hispanic American 1% Caucasian 87%

COOK COUNTY HEALTH FY2018 PAYMENT HIGHLIGHTS

- \$41,522,583 Paid to MBEs
- \$15,445,996 Paid to WBEs
- 67% of Construction Payments made to M/WBEs
- \$14,824,768 (36%) of MBE Payments were made to Women-Owned MBEs
- \$6,500,473 Paid to M/WBEs on Sole Source Contracts

WHAT'S NEXT AT CCH?

- New Contract with Ralph G. Moore & Associates to consult on implementing best practices to increase M/WBE participation @ CCH; and amending CCH aspirational goals
- FY2020 Buying Plan
- Implementation on OCC Outreach Program



FY2018 OCC OUTREACH ACTIVITIES

Month	Event	Role
December	Chicago Public School's Vendor Outreach Event	Exhibitor
December	McCormick Place Supplier Diversity Fair	Exhibitor
February	City of Chicago Construction Summit	Exhibitor
February	Chatman Business Association Monthly Membership Meeting	Attendee
February	Cook County Health & Hospital System & Vizient	Co-Host
March	Old Cook County Hospital Renovation & Restoration	Exhibitor
March	MWRD'S Vendor Outreach Event	Exhibitor
April	50th Annual Chicago Minority Business Opportunity Fair (CBOF)	Exhibitor
April	MWRD'S Vendor Outreach Event (Professional Service)	Exhibitor
May	Workforce Community Event	Exhibitor
July	Government Procurement Compliance Forum	Co-Host
July	Commissioner Deer - Bridging the Gap Series	Speaker
August	Chicago Park District Vendor Fair	Exhibitor
August	American Contract Compliance Association Annual National Training Institute	Speaker
September	Women's Business Development Council (WBDC) Entrepreneurial Women's Conference	Exhibitor
September	Minority Business Leaders Exchange Meeting	Panelist
September	Commissioner Deer - Bridging the Gap Series	Speaker
October	Commissioner Deer - Bridging the Gap Series	Speaker
November	Minority Business Leaders Exchange Meeting	Panelist
November	University of Illinois Construction Summit	Exhibitor

NEW OCC OUTREACH INITIATIVE

- Leveraging Partnerships with Assist Agencies to connect M/WBEs with Technical Assistance and Capacity-building Opportunities
- Targeted Outreach Events
 - Series of Info Sessions with DCPD and OCPO focused on expansion of Cook County Pre-Qualified Pool for Architects and Engineers
 - Partnership with CCHHS and OCPO promoting Vizient Supplier Diversity Program to increase M/WBE participation in GPO procurement at CCH
 - Events with DOTD and OCPO promoting CREATE program and encouraging M/WBEs to certify as DBEs for participation in a series of major projects including \$474 MM railroad renovation
 - County-wide events with DCPD and OCPO promoting Job-Order-Contracting Program including Prime and Subcontractor Networking opportunities to increase diversity among both and to broaden pool of M/WBE participation
 - Regular OCC e-blast invitations to certified firms to bid on contracts with M/WBE goals
 - Outbound calls to certified vendors inviting them to maintain certification

OUTREACH INITIATIVE PERFORMANCE MANAGEMENT

Measuring Program Success using KPIs

- # of events OCC attended
- # industry-specific events attended
- # certification workshops held
- # certification workshops held in Commissioners' Districts
- # of attendees at each event
- # of uncertified attendees who apply for certification within 90 days of event attended
- # of new certification applications in targeted industries
- # new certified M/WBEs
- # contracts with M/WBE participation where previously there was zero
- Increased spend on M/WBEs in targeted industries

OFFICE OF CONTRACT COMPLIANCE

FY2019 HIGHLIGHTS

What	Why	Impact
Finalized Green Initiative for Certification	To reduce environmental impact of managing thousands of paper files	Allows for vendors to certify online, avoiding a costly and time-consuming visit downtown
Amended Rules to allow State of Illinois Certified Veteran Owned Small Businesses to qualify for the Cook County Veteran Business Bid Incentive	To increase Veteran participation on Cook County contracts	Expands eligible pool of businesses that qualify for Veteran Business Bid Incentive
Created Persons with Disabilities Business Enterprise Certification	Allows bid incentive of 5% to certified PDBEs	Allows for increased participation of Persons with Disabilities on Cook County contracts
Added New Key Performance Initiatives (KPIs) to STAR Report	To accurately measure and manage performance expectations	Allows for ease of identifying department challenges and developing remedies
Created first OCC Outreach Program with built-in KPIs	To focus outreach where M/WBE availability is low, where significant spend is set to take place and to penetrate markets that have not been previously identified	Will help to increase M/WBE participation in contract categories and user departments that have historically had low M/WBE participation
Creating Customized Diversity Report	To provide real-time M/WBE performance reporting	Increases transparency and assists with identifying challenges and developing solutions