

Sponsored by: _____, County Commissioners

THE COOK COUNTY SOCIAL ENTERPRISE ORDINANCE

WHEREAS, nonprofit organizations serving the residents of Cook County and its environs are becoming increasingly entrepreneurial, supplementing charitable donations and foundation and government grants with revenue earned by the businesses they own and run, instrumentalities of mission in their own right; and

WHEREAS, for-profit social-purpose businesses serving the residents of Cook County and its environs are defining success in terms of both financial and social returns.

NOW, THEREFORE, BE IT ORDAINED, by the Cook County Board of Commissioners that Chapter 34 Finance, Article IV Procurement Code, Division 11 Social Enterprises, sections 34-320 through 34-325 of the Cook County Code, is hereby enacted as follows:

Sec. 34-320. Short title

This Division shall be known and may be cited as the “Cook County Social Enterprise Ordinance.”

Sec. 34-321. Preface and findings

- (a) The County finds that social enterprises directly address social needs by providing goods or services to disadvantaged people or by employing disabled or disadvantaged people.
- (b) The County finds that social enterprises use earned revenue strategies to generate income and thus become more self-sustaining.
- (c) The County finds that Illinois benefit corporations are social enterprises by virtue of the fact that they are for-profit entities which are legally required to have a purpose of creating a general public benefit and may also have the purpose of creating specific public benefits.
- (d) The County finds that Illinois low-profit limited liability companies are social enterprises by virtue of the fact that they are for-profit entities which must at all times significantly further the accomplishment of one or more charitable or educational purposes as defined by the Internal Revenue Code.

Sec. 34-322. Policy and purpose

The policy and purpose of this division are as follows:

- (a) It is the public policy of this County to promote the growth and development of social enterprises as a means of directly addressing the social needs of the residents of the County.
- (b) By providing a preference in procurement to social enterprises, the County can encourage the growth and development of social enterprises.

Sec. 34-323. Definitions

The following words, terms, and phrases, when used in this Division, shall have the meanings ascribed to them in this Section. Terms not defined in this Section are defined in Division 1 of this Procurement Code, or in Section 1-3 of the County Code.

County Marketplace means the six-county region, currently the counties of Cook, DuPage, Kane, Lake, McHenry, and Will.

Disadvantaged refers to individuals who are mentally, physically, economically, or educationally disadvantaged, including, but not limited to, individuals who are living below the poverty line, developmentally disabled, mentally ill, people with arrest or conviction records, substance abusers, recovering substance abusers, elderly and in need of hospice care, former gang members, or public benefits recipients.

Social Enterprise means a Person which has its principal place of business and a majority of its regular, full-time work force located within the County Marketplace and which is:

- (a) an Illinois benefit corporation subject to the Benefit Corporation Act (805 ILCS 40/1 *et seq.*);
- (b) an Illinois low-profit limited liability company subject to Section 1-26 of the Limited Liability Company Act (805 ILCS 180/1-26); or
- (c) a nonprofit or private-sector entity (or any business unit thereof which maintains separate books and records) which (1) uses earned revenue strategies, either exclusively as a business or as a significant part of a nonprofit's revenue stream, and (2) directly addresses social needs either (i) through its goods and/or services or (ii) by employing people who are disadvantaged, or (iii) both.

Sec. 34-324. Social enterprise preference; all contracts

The Chief Procurement Officer shall recommend award of the Procurement to the lowest Responsible and Responsive Bidder which is a Social Enterprise, so long as

the Bid of such Bidder does not exceed the Bid of the lowest Responsive and Responsible Bidder by more than five percent.

Sec. 34-325. Sanctions and penalties

(a) If a Person receives a preference under Section 34-324 as a Social Enterprise and is awarded a Procurement therefor, but the Contract Compliance Director determines that the Person does not qualify or no longer qualifies as a Social Enterprise, the CCD shall notify the Person in writing of the Person's failure to qualify as a Social Enterprise.

(b) The CCD's notice to the Person shall allow the Person a period of at least ninety (90) days in which to achieve substantial compliance with qualification or requalification as a Social Enterprise.

(c) If the Person has substantially complied with qualification or requalification as a Social Enterprise within such period, no penalty shall be imposed upon the Person.

(d) If the CCD finds that the Person has failed to substantially comply with qualification or requalification as a Social Enterprise within such period, the Person shall be liable to the County for a penalty of up to \$2,500.00, and may be subject to termination of any Contract and disqualification from participation in a County Contract for a period of up to five years from the date of such finding, in addition to any other remedy provided for in the Procurement Code or at law or in equity. Such sanctions shall apply jointly and individually to the Person and to the relevant owner or owners of the Person.

Effective date: This ordinance shall be in effect immediately upon adoption.