

DRAFT

2013

14-4247 - Business Diversity Report FY2013



Toni Preckwinkle
President

Cook County
Board of Commissioners

*Message from Toni Preckwinkle
Board President of Cook County*

To the residents of Cook County:

The following report is the annual Cook County Business Diversity Report. For the first time, we are reporting actual payments to minority and women-owned businesses. Since taking office nearly four years ago, I've been committed to making it easier to do business in and with Cook County. This report is a testament to our commitment to a more transparent Cook County and commitment to minority and women-owned businesses.

This report allows residents and businesses to see the goals we have set for ourselves. This report includes contracts dollars awarded and contract payments. Overall in 2013, the County awarded 21% of contracts to minority and women owned businesses. Additionally, in the same fiscal year, 22% of contract payments were made to minority and women-owned businesses.

Since taking office, we've made significant improvements to our M/WBE Program. In early FY2014, we made changes to the County's Procurement Code to improve enforcement of the M/WBE Program. By adding reinforcement measures to the code, we have more tools to support M/WBE firms and assist in promoting greater inclusion of MBE/WBE firms in a more transparent procurement process. In 2014, we started the process of conducting site visits and detailed audit analysis on our contracts.

We are investing in the necessary tools to better monitor participation of minority and women-owned businesses on County contracts. In 2013, we implemented a web-based system that captures payment data on County contracts and allows for a more efficient process to capture, track and monitor actual subcontractor payments. Historically, the County's reporting has relied on the *commitment* in contracts for M/WBE businesses. This year, the report includes actual payments on all contracts, which are also shared in a transparent manner with both prime contractors and sub-contractors. At the same time we have facilitated an end-to-end on-line certification process for vendors to seek certification as an M/WBE business with the County.

We are proud of our work to date, but we know there is more to do. We continue to strive to make the County a more effective, attractive business partner for our minority and women-owned businesses. The County is serious about engaging in these efforts moving forward and looks forwards to continuing our work with members of the Cook County community.

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COMMITMENT TO SMALL BUSINESSES

Cook County Board President Toni Preckwinkle is committed to the inclusion and expansion of opportunities for small, local, minority and woman-owned businesses. Cook County is at the heart of a dynamic metropolitan region, where we make up more than half of its population, jobs, and businesses. President Preckwinkle knows that small businesses are the engine of the economy. When we create accountable, transparent and responsive government, we help the economy grow.

Cook County's Office of Contract Compliance is pleased to present its Annual Business Diversity Report covering the period of Fiscal Year 2013 under President Preckwinkle. Historically, minority- and woman-owned businesses have been awarded government contracts in dollar amounts disproportionately lower than the availability of such businesses that are willing and able to perform these contracts. Many local governments, including Cook County, were passive participants in discriminatory practices that adversely affected the growth and full participation of minority and woman-owned businesses ("M/WBEs") in the government marketplace.

In an effort to remedy historic inequity and to facilitate greater inclusion, Cook County established goals for the participation of minority and woman-owned businesses in County contracts as set forth under the ordinances that comprise the County Procurement Code. The goals are as follows:

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

About this Report Transparency is a key mandate of President Preckwinkle and under her leadership, the County began publishing annual diversity reports for the first time to make this information available to the public. This report is the County's first report to include actual payments to M/WBEs. This report includes contracts dollars awarded and contract payments by Cook County Government as reported by vendors. The second section includes contracts awarded and payments on Cook County Health and Hospitals System ("CCHHS") as reported by vendors. This report will serve as a benchmarking tool in assessing the M/WBE participation and identifying areas for greater inclusion. The Office of Contract Compliance tracks M/WBE participation in the following three categories (1) Goods and Services, (2) Construction, and (3) Professional Services. Data reported is based on actual payments reported by vendors.

Small Business Initiatives President Preckwinkle has made it a top priority of her administration to foster greater participation and meet M/WBE goals as much as possible. Ultimately, greater participation will allow small businesses to create jobs and stimulate growth in the regional economy. These efforts are described below:

Disparity Study. Since President Preckwinkle took office, the County has made strategic investments to lower the barriers to entry for minority and women-owned businesses, including taking measures to ensure full participation at all levels of Cook County Government. In June of 2013, the Cook County Board of Commissioners retained the services of Colette Holt & Associates to conduct a Disparity Study of the County's M/WBE Program.

A disparity study is a periodic evaluation of a municipality's M/WBE efforts. The term "disparity" refers to the difference between the number of M/WBEs who are able to provide the services a municipality is procuring and the number of firms who are actually working with the municipality. The study looks at whether the organization is meeting its goals with regards to access to procurement opportunities and provides recommendations to improve its efforts. Disparity studies also provide a legal defense of an M/WBE program if that program is challenged in the courts.

Nationally, it's considered best practice to conduct regular disparity studies. Other local agencies that have done this include the City of Chicago and the Illinois Department of Transportation. However, this is Cook County's first disparity study.

The Study includes a comprehensive statistical analysis based on the County's procurement history. The consultant will collect, sort, research, and analyze data and will use Custom Census methodology recommended in the National Disparity Study Guidelines to accurately estimate M/WBE availability estimates. The consultant will also calculate a Disparity index using regression analysis. The Disparity Study is expected to be completed by the end of 2014.

Diversity Management System. President Preckwinkle has made achieving full M/WBE participation in County procurement a key goal of her administration. During the end of FY 2013, the Office of Contract Compliance implemented a new web-based contract compliance and Minority-owned Business Enterprise (MBE), Woman-owned Business Enterprise (WBE), Veteran-owned Business Enterprise (VBE), and Service Disabled Veteran Business Enterprise (SDVBE) certification system. As part of its mission and mandate, it seeks to capture, monitor and report contract performance based on actual spends. Historically, M/WBE participation was tracked solely on commitments. The key benefits of implementing the Diversity Management System include:

- Transparency and accountability measures for all stakeholders
- Service improvement to local small businesses
- Streamlined process - Certifications including supporting documentation will be submitted electronically
- Promotes the County/City Collaborative reciprocal certification process
- Sharing of information with sister agencies including City of Chicago

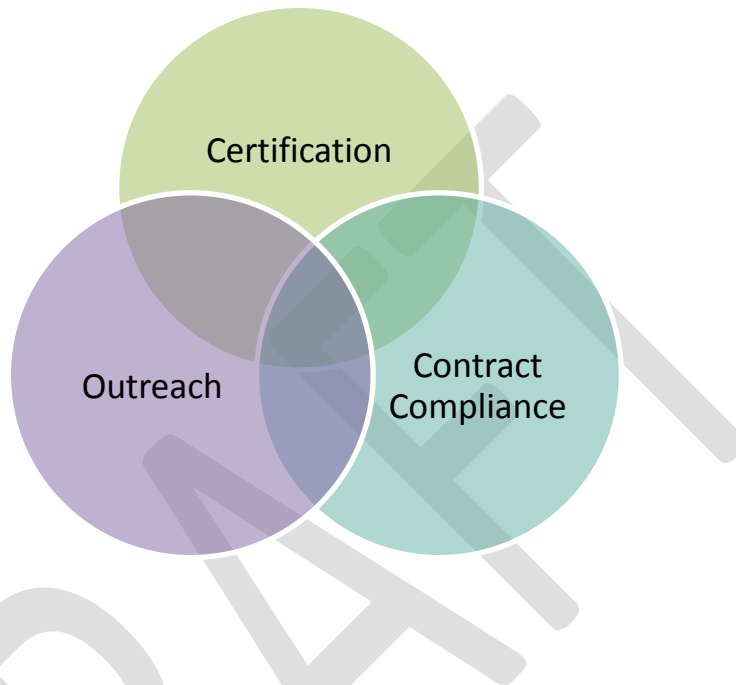
Emerging Business Development Loan. Additional strides to build capacity to the M/WBE community for Cook County contracts include leveraging our relationships with firms in the private sector to help build the capacity of our small businesses. The Cook County Emerging Business Development Loan (EBDL) Program, which was developed by the administration of Cook County Board President Toni Preckwinkle, provides interim financing for certified Cook County minority and woman owned businesses that have direct and indirect contracts with the government of Cook County. Loans will typically be used to finance short-term capital needed to provide construction, procurement, or public services to public or institutional users.

The program is available to qualified certified minority and/or woman owned businesses that have been awarded a Cook County contract or project. The company must be in business at least three (3) years and show credit worthiness via a formal bank commitment. The company must create/retain jobs or conduct work in a blighted area. Technical assistance (accounting, legal, and/or business mentoring) to support the loan may be required as part of the County's approval of the EBDL for the Applicant. Applicants must be a Cook County Certified minority and/or women owned business or enterprise. Uses of funds are restricted to labor, materials, and equipment. The loan must be directly related to work being performed on a Cook County government project or contract.

Reciprocal Certification. Cook County and the City of Chicago have launched a reciprocal Minority and Women Business Enterprise initiative. This initiative allows Minority and Women-owned Businesses ("M/WBEs") to be certified by either the County or City, and have that certification apply to both agencies. This combined effort by the County and City lessens the financial burden and streamlines the certification process by providing a "one-stop shop" for MBE/WBEs interested in participating in County and City procurement opportunities.

OFFICE OF CONTRACT COMPLIANCE

The Office of Contract Compliance supports minority and women-owned business by offering a certification program, ensuring M/WBE inclusion in the County's contracting processes, participates in outreach events, and reports on supplier diversity participation to the President and Board of Commissioners.



Program Administration

The Office of Contract Compliance administers Cook County's M/WBE Program as set forth in the County Ordinance under Division 8 of Article IV of the Procurement Code. The Ordinance can be found online at www.cookcountyil.gov/contractcompliance. The responsibilities of the Office of Contract Compliance include:

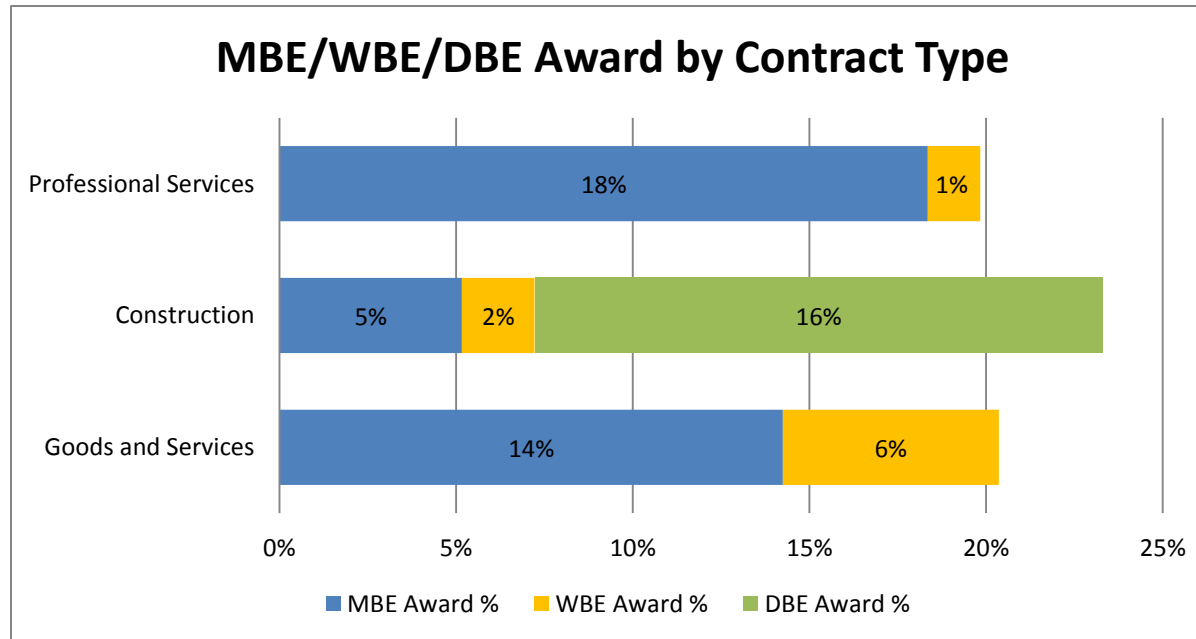
- (1) Formulating, proposing and implementing rules and regulations for the development, implementation and monitoring of the Program, certification process, recertification process, and no-change affidavits, including time limitations for the submission of documents and information regarding certification appl
- (2) ications and contract participation. The Contract Compliance Director ("CCD") is authorized to collect certification and recertification processing fees in the amount of \$250.00 per Application; the collection of said processing fees shall be transacted by the CCD through the Department of Revenue.
- (2) Providing information and assistance to Small Businesses relating to the Program, and serving as a liaison to community, contractor, professional and supplier groups, as well as associations and organizations.

- (3) Establishing uniform procedures and criteria for certifying, recertifying and decertifying M/WBEs, accepting certifications by other agencies, and maintaining a directory of Certified M/WBEs. Such procedures and criteria shall include non-certification or decertification for the willful submission of false or inaccurate material information and the failure to submit complete and accurate information to the CCD regarding certification or a procurement on a timely basis, and shall relate to both PCEs and PCE owners.
- (4) Establishing contract specific goals based upon the availability of M/WBEs to provide the supplies, materials and equipment or services required by the Contract.
- (5) Monitoring contracts to evaluate compliance with Contract Specific Goals and commitments.
- (6) Cooperating with and providing assistance to Using Agencies to facilitate participation by M/WBEs in Procurements.
- (7) Reviewing, approving or rejecting utilization plans for achievement of contract specific goals, and evaluating the extent to which goals were achieved.
- (8) Monitoring contracts to ensure compliance with Section 34-388, Prompt Payment of M/WBEs.
- (9) Receiving, reviewing, and acting upon complaints and suggestions concerning the program.
- (10) Evaluating the effectiveness and utility of the program.
- (11) Monitoring the program and the County's progress towards program goals.
- (12) Reporting to the Contract Compliance Committee, at its request, information regarding the administration of the program and its progress toward achieving program goals.

Cook County Government MBE/WBE/DBE FY 2013 Award Summary (Commitments)

	<i>MBE Award</i>	<i>WBE Award</i>	<i>DBE Award</i>	<i>Non-M/WBE Award Amount</i>	<i>Total Contract Awarded in FY 2013</i>
Goods and Services	\$15,297,806	\$6,559,327	N/A	\$85,509,939	\$107,367,072
Construction	\$5,200,299	\$2,069,247	\$16,196,157	\$77,250,576	\$100,716,279
Professional Services	\$19,908,317	\$1,608,656	N/A	\$86,956,942	\$108,473,915
Total	\$40,406,422	\$10,237,230	\$16,196,157	\$249,717,457	\$316,557,266

**DBE participation applies to federally funded contracts*



Overall, in FY 2013 the County awarded:

20% M/WBE participation on Professional Contracts

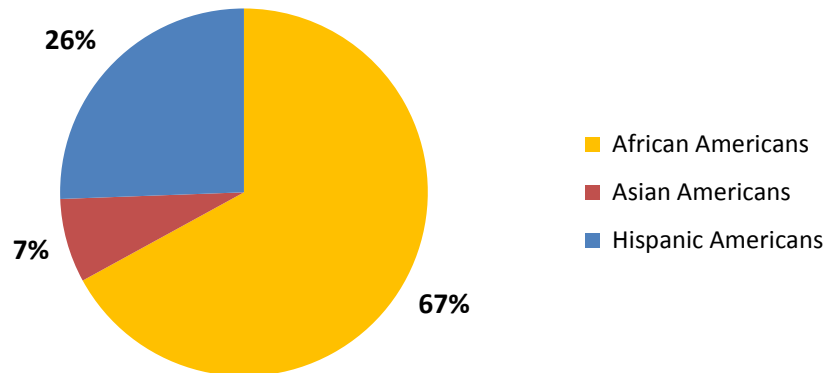
23% M/W/DBE participation on Construction Projects

21% M/WBE participation on Goods and Services

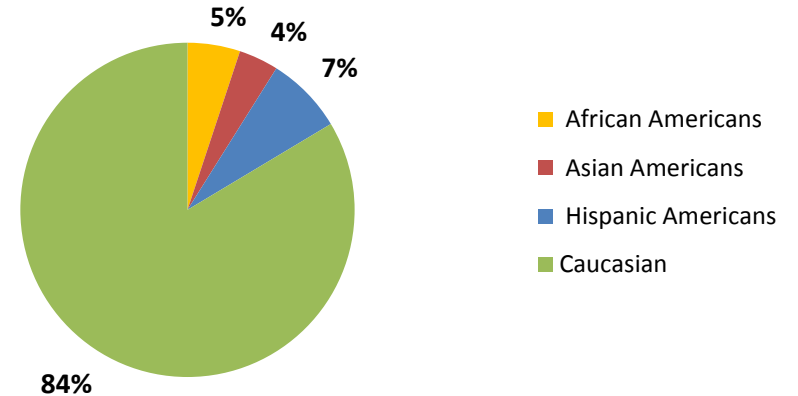
Cook County Government MBE/WBE FY 2013 Awards by Ethnicity (Commitments)

	All Minority Business Enterprise (MBE) Dollars			All Women Business Enterprise (WBE) Dollars			
Contract Type	African Americans	Asian Americans	Hispanic Americans	African Americans	Asian Americans	Hispanic Americans	Caucasian
Goods and Services	\$6,434,976	\$2,341,965	\$6,520,865	\$529,014	\$420,000	\$546,377	\$5,063,936
Construction	\$11,211,612	\$9,044	\$5,677,459	\$0	\$0	\$0	\$6,567,588
Professional Services	\$17,278,982	\$1,500,176	\$1,129,159	\$220,896	\$145,883	\$556,000	\$685,877
Total	\$34,925,570	\$3,851,185	\$13,327,483	\$749,910	\$565,883	\$1,102,377	\$12,317,401

MBE Participation Committed by Ethnicity



WBE Participation Committed by Ethnicity

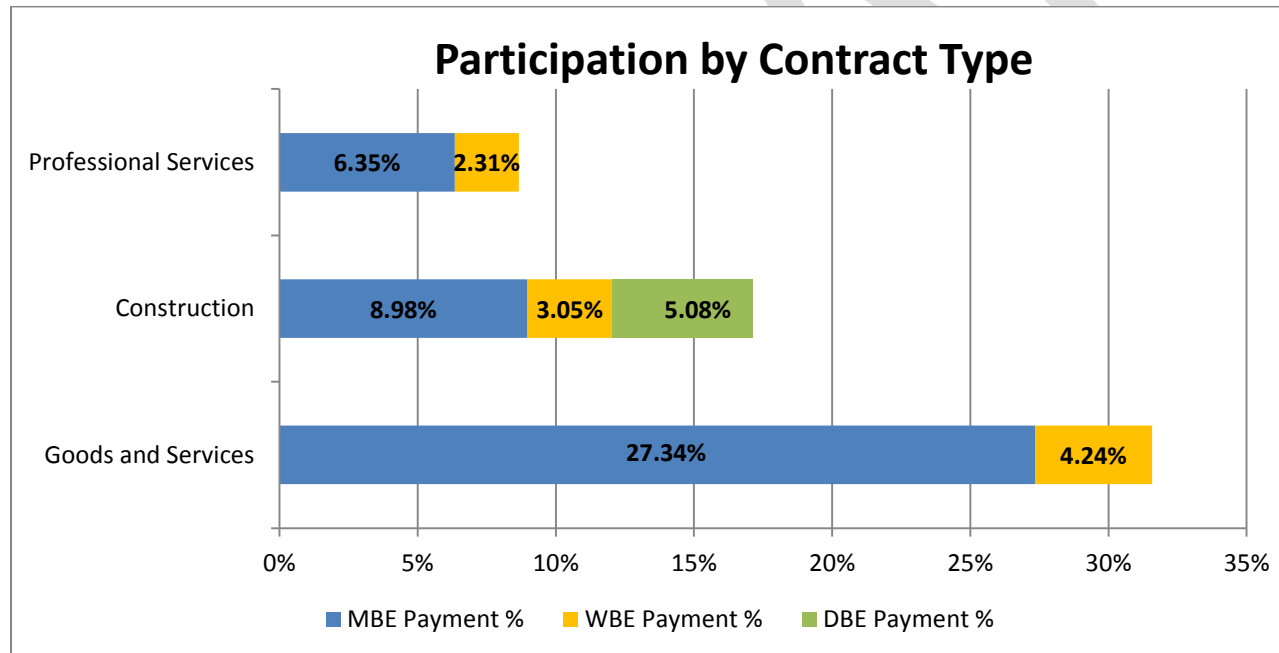


Cook County Government MBE/WBE/DBE FY 2013 Payment Summary (Actuals)*

	<i>MBE Payment</i>	<i>WBE Payment</i>	<i>DBE Payment**</i>	<i>Non-M/WBE Payment</i>	<i>Total Payments</i>
Goods and Services	\$23,320,201	\$3,619,907	N/A	\$58,363,760	\$85,303,868
Construction	\$9,013,455	\$3,066,836	\$5,101,752	\$83,242,415	\$100,424,458
Professional Services	\$1,824,072	\$662,739	N/A	\$26,241,867	\$28,728,678
Total	\$34,157,728	\$7,349,482	\$5,101,752	\$167,848,042	\$214,457,004

*Participation is based on payments reported by vendors (Primes and Sub-contractors); the contracts for which payments are made in FY2013 include contracts awarded in previous years as well as a portion of those awarded during FY2013

**DBE participation applies to federally funded contracts



In FY 2013 Payments made on Cook County contracts represented*:

9% M/WBE participation on Professional Contracts

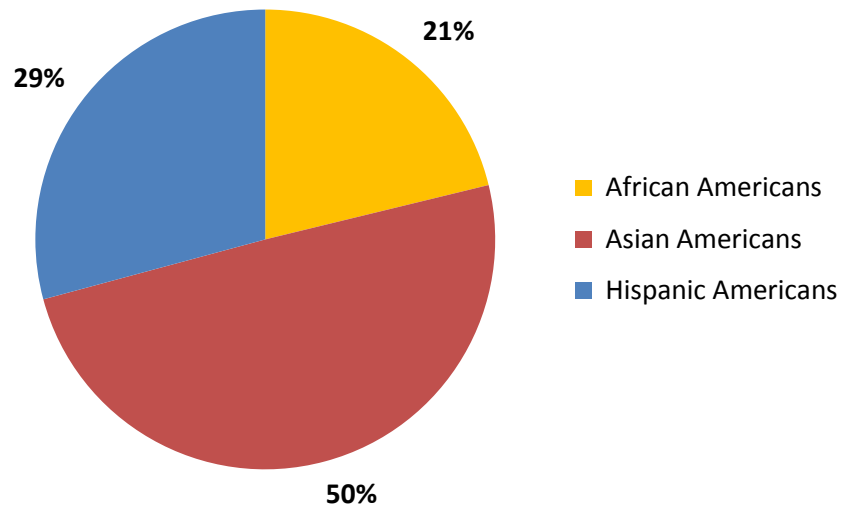
17% M/W/DBE participation on Construction Projects

32% M/WBE participation on Goods and Services

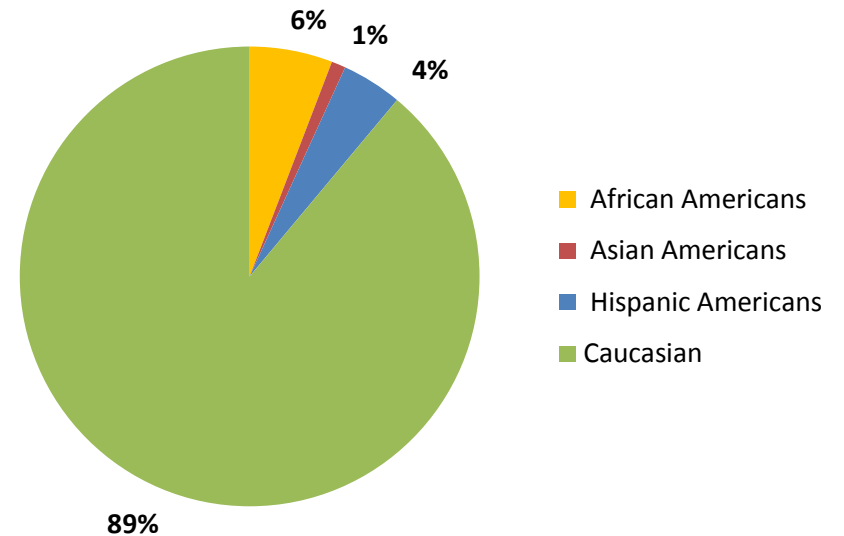
Cook County Government MBE/WBE Payments by Ethnicity (Actuals)*

	Minority Business Enterprise (MBE) Dollars			Women Business Enterprise (WBE) Dollars			
Contract Type	African Americans	Asian Americans	Hispanic Americans	African Americans	Asian Americans	Hispanic Americans	Caucasian
Goods and Services	\$3,757,218	\$16,443,721	\$3,119,260	\$50,518	\$0	\$73,026	\$3,496,363
Construction	\$2,417,700	\$0	\$6,595,756	\$375,084	\$0	\$0	\$2,706,753
Professional Services	\$1,066,514	\$499,526	\$258,032	\$3,649	\$73,275	\$240,455	\$345,360
Total	\$7,241,432	\$16,943,247	\$9,973,048	\$429,251	\$73,275	\$313,481	\$6,548,476

MBE Participation* by Ethnicity



WBE Participation* by Ethnicity



*Participation is based on payments reported by vendors (Primes and Subcontractors)

Cook County Health and Hospital Systems



Cook County's Office of Contract Compliance ("OCC") also administers the Cook County Health and Hospital System's M/WBE Program. OCC participates in the Hospital's Finance Committee and Board Meetings and works with the Hospital System to achieve MBE/WBE participation goals. OCC works closely with the Hospital's Supply Chain Management Department, which functions as the procurement arm by strategically sourcing goods and services across all major spend categories throughout the health system.

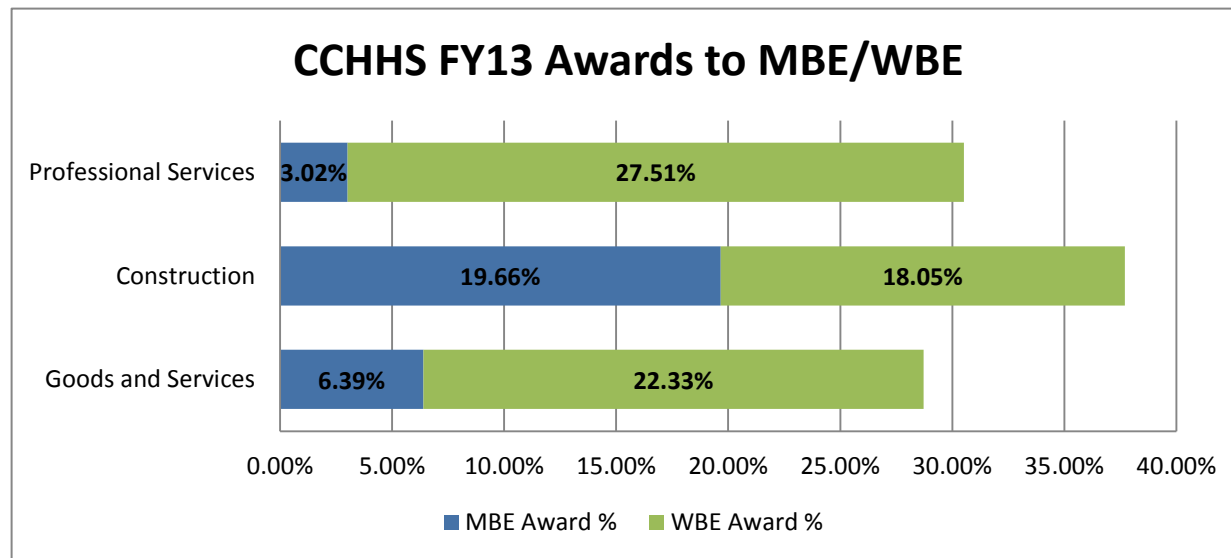
This section includes contract awards by the Cook County Health and Hospitals System ("CCHHS") during FY2013 and actual payments made to minority and women owned businesses. Actual payment amounts are based on data reported by vendors. The Office of Contract Compliance tracks CCHHS M/WBE participation in the following three categories (1) Goods and Services, (2) Construction, and (3) Professional Services. The M/WBE goals are set as follows:

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

Cook County Health and Hospital Systems M/WBE FY 2013 Award Summary (Commitments)

	<i>MBE Award</i>	<i>WBE Award</i>	<i>Non-M/WBE Award Amount</i>	<i>Total Contract Awarded</i>
Goods and Services	\$2,924,609	\$10,218,256	\$32,615,299	\$45,758,164
Construction*	\$1,066,425	\$979,094	\$3,378,822	\$5,424,341
Professional Services	\$4,735,428	\$43,187,342	\$109,063,494	\$156,986,264
Total	\$8,726,462	\$54,384,692	\$145,057,615	\$208,168,769

**Construction represents a single awarded contract during FY2013*



Overall, in FY 2013 CCHHS awarded:

31% M/WBE participation on Professional Contracts

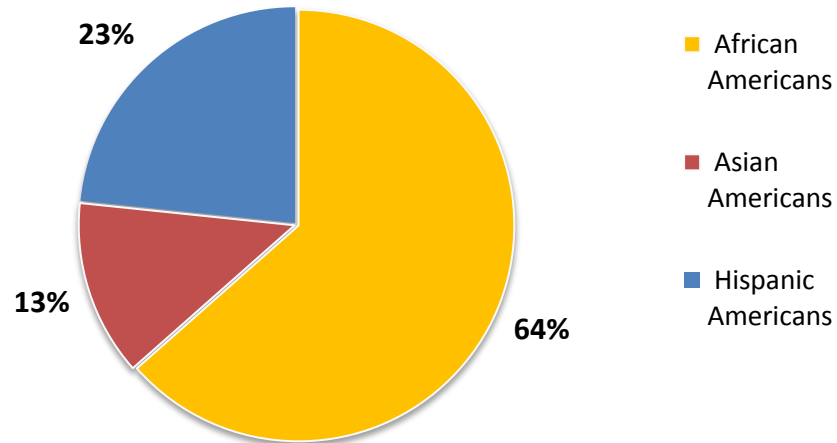
38% M/WBE participation on Construction*

29% M/WBE participation on Goods and Services

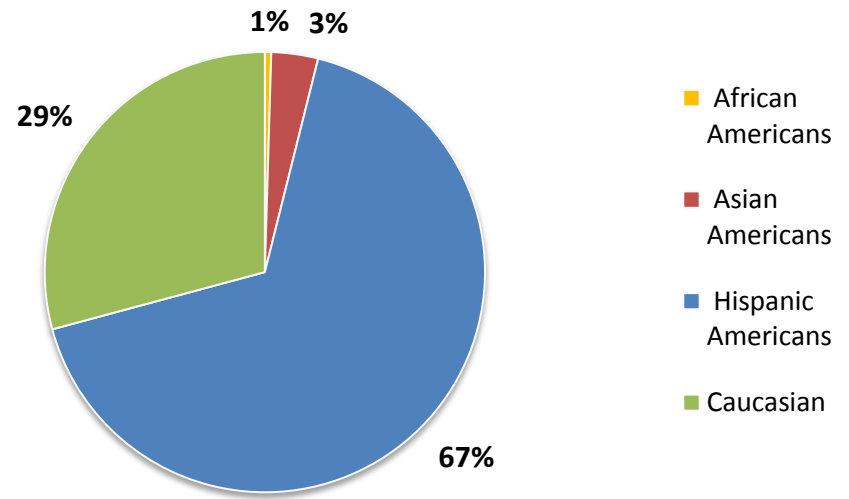
Cook County Health and Hospitals System (CCHHS) MBE/WBE FY 2013 Awards by Ethnicity (Commitments)

	<i>Minority Business Enterprise (MBE) Dollars</i>			<i>Women Business Enterprise (WBE) Dollars</i>			
Contract Type	African Americans	Asian Americans	Hispanic Americans	African Americans	Asian Americans	Hispanic Americans	Caucasian
Goods and Services	\$1,316,837	\$452,837	\$1,154,935	\$0	\$56,100	\$0	\$10,162,156
Construction	\$350,955	\$46,107	\$669,364	\$129,099	\$0	\$436,117	\$413,877
Professional Services	\$3,872,124	\$649,843	\$213,752	\$124,900	\$1,809,951	\$35,955,514	\$5,296,977
Total	\$5,539,916	\$1,148,787	\$2,038,051	\$253,999	\$1,866,051	\$36,391,631	\$15,873,010

MBE Committed by Ethnicity



WBE Committed by Ethnicity

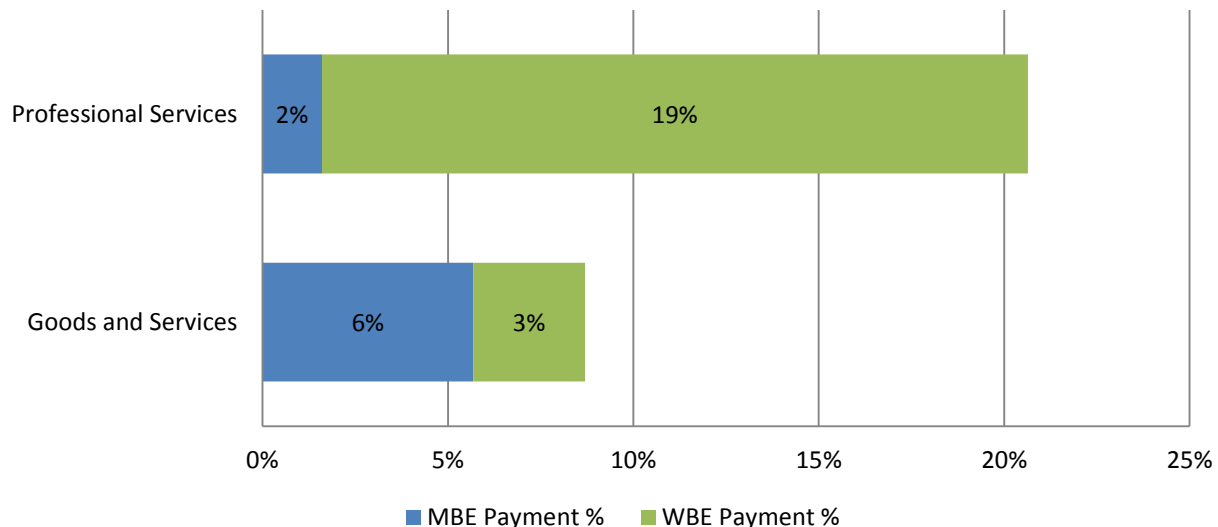


Cook County Health and Hospitals System (CCHHS) FY 2013 Contract Payment Summary (Actuals)*

	<i>MBE Payment</i>	<i>WBE Payment</i>	<i>Non-M/WBE Payment</i>	<i>Total Payments</i>
Goods and Services	\$8,999,652	\$4,766,321	\$144,510,262	\$158,276,235
Professional Services	\$2,024,629	\$24,045,599	\$100,265,954	\$126,336,182
Total	\$11,024,281	\$28,811,920	\$244,776,216	\$284,612,417

**Participation is based on payments reported by vendors (Primes and Subcontractors;) the contracts for which payments are made in FY2013 include contracts awarded in previous years as well as a portion of those awarded during FY2013*

CCHHS FY13 Payments to MBE/WBE



FY 2013 payments made on CCHHS contracts represented*:

21% M/WBE participation on Professional Services Contracts

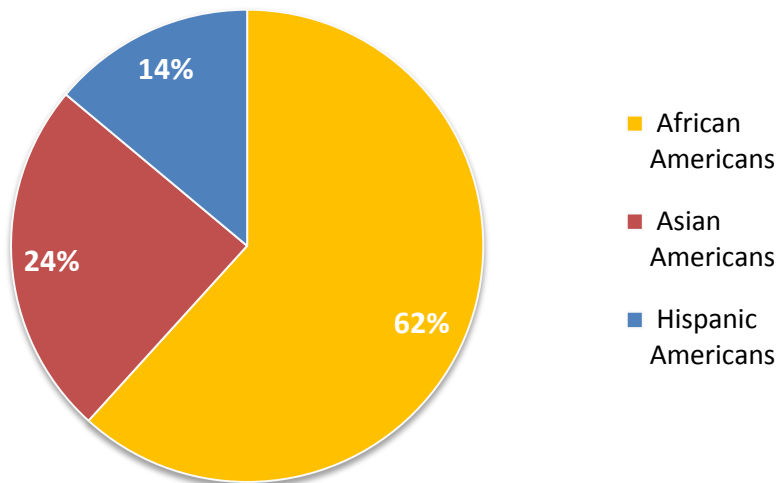
9% M/WBE participation on Goods and Services

Cook County Health and Hospitals System (CCHHS) MBE/WBE FY 2013 Payments by Ethnicity (Actuals)*

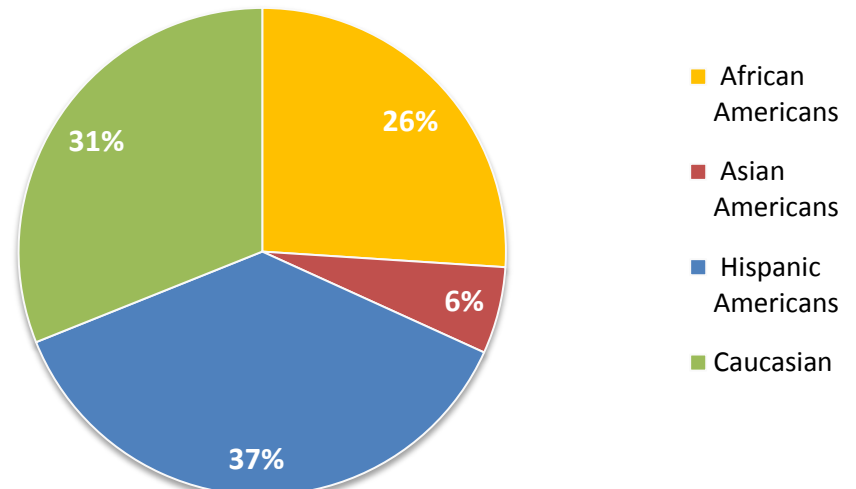
	Minority Business Enterprise (MBE) Dollars			Women Business Enterprise (WBE) Dollars			
Contract Type	African Americans	Asian Americans	Hispanic Americans	African Americans	Asian Americans	Hispanic Americans	Caucasian
Goods and Services	\$6,153,831	\$2,684,140	\$161,681	\$1,762	\$1,583,337	\$0	\$3,181,222
Professional Services	\$650,909	\$0	\$1,373,720	\$7,495,497	\$78,540	\$10,703,678	\$5,767,884
Total	\$6,804,740	\$2,684,140	\$1,535,401	\$7,497,259	\$1,661,877	\$10,703,678	\$8,949,106

*Participation is based on payments reported by vendors (Primes and Subcontractors)

MBE Participation* by Ethnicity



WBE Participation* by Ethnicity



2013 Outreach Activities

The Office of Contract Compliance (“OCC”) participates in various outreach events throughout the year to market the County’s upcoming contracting opportunities and encourage potential vendors to consider learning more about doing business with the County. OCC participated in the following events during FY2013:

- 27th Annual Women’s Business Development Council (WBDC) Entrepreneurial Women’s Conference
- 1st Annual Cosmopolitan Chamber of Commerce Technology “Opening Doors 2013” Conference
- 18th Annual Cosmopolitan Chamber of Commerce “Project Awareness”
- 46th Annual Chicago Minority Supplier Development Council - Chicago Business Opportunity Fair
- Commissioner Reyes’ Small Business Doing Business with Cook County Event
- Commissioner Garcia’s Women’s Business Doing Business with Cook County Networking Event



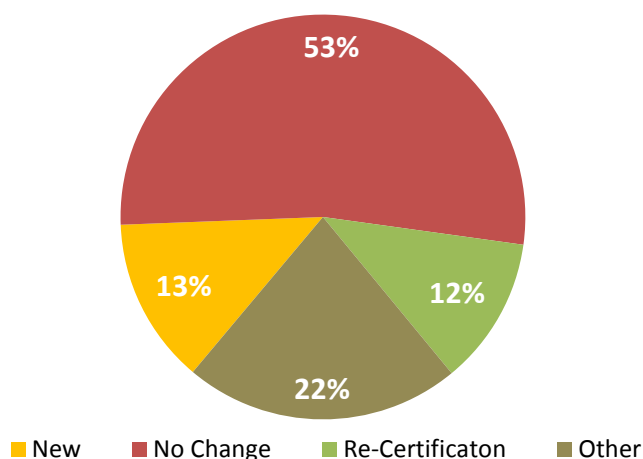
- Cook County and City of Chicago Vendor Fair
- Asian American Business Networking Event
- Chatman Business Association Monthly Membership Meeting
- Chicago Urban League Monthly Membership Meeting
- City of Chicago Treasurer’s Small Business Expo
- Cosmopolitan Chamber of Commerce “2013 Evening with Friends”
- Cosmopolitan Chamber of Commerce Monthly Membership Meetings
- GSA Small Business Roundtable Event
- Hispanic American Construction Industry Association (H.A.C.I.A.) Monthly Membership Meeting
- Latin American Chamber of Commerce Business Conference
- American Contract Compliance Association (ACCA) Training Institute
- State of Illinois Veteran Business Enterprise Expo
- Federation of Women Contractors Women’s Leadership Roundtable Event

Certification

Cook County certifies businesses that are at least 51% owned, operated and controlled by one or more individuals who are socially and economically disadvantaged as set forth in the provisions of the County Code. The Office of Contract Compliance thoroughly investigates and periodically reviews all applications to ensure certification eligibility.

During Fiscal Year 2013, OCC received a total of **626** applications and processed a total of **487** consisting of the following: **83** New (Schedule A) Applications, **330** (No Change Affidavits), **74** Re-Certifications and **139** Other (includes denials, withdrawals and deactivated, closed).

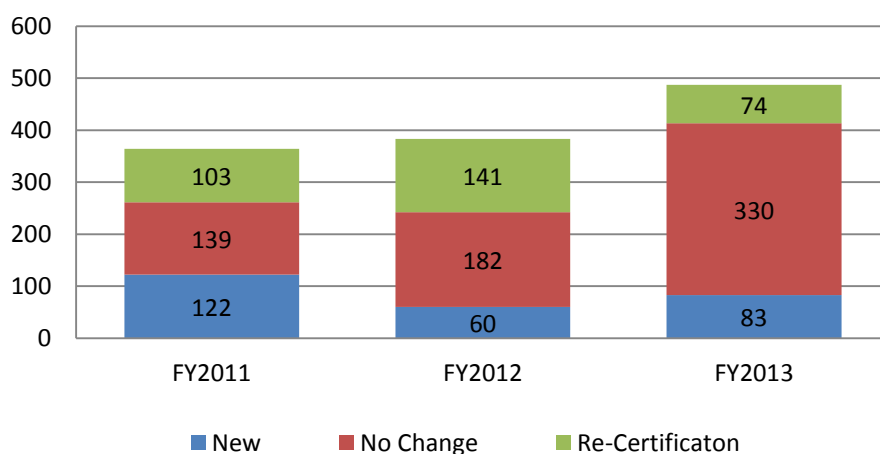
Certifications Processed by Type



During FY 2013:
626 applications received, of that
487 were processed, which
represents 78% of all applications
received.

34% increase in firms certified by
Cook County since FY2011

Certification Trend by Type



A Glance Ahead...

- In FY2014, changes were made to the County's Procurement Code that enforces the M/WBE Program. We continue to execute President Preckwinkle's commitment for greater transparency in the procurement process and greater participation of MBE/WBE firms. These updates give the County more tools to promote and enforce the M/WBE Program. By adding reinforcement measures to the code, the County will have more tools to support the President's mission and assist in developing a stronger procurement process and promoting greater inclusion of MBE/WBE firms.
- During the first quarter of FY2014, the Office of Contract Compliance launched its Diversity Management System. This web-based system captures payment data on County contracts and allows for a more efficient process to capture, track and monitor actual subcontractor payments. Contract data management is a critical component of our services, which will allow us to report on actual spends in all categories beginning in FY 2013 and beyond.
- During the second quarter of FY2014, Cook County, the Forest Preserve District and the Hospital System (collectively the "agencies") conducted a public meeting as part of the Disparity Study for their Minority- and Women-Owned Business Enterprise ("M/WBE") Programs. The purpose of the meeting was to gather input from businesses, community organizations and individuals regarding their experiences in doing business or attempting to do business with the agencies and with their M/WBE programs, as well as discuss any barriers to the full and fair inclusion of all firms in agency contracting opportunities. The meeting also included a presentation on the Study's elements and provided an open forum for comments and questions regarding the Study process.
- The Office of Contract Compliance continues to hosts monthly certification workshops to provide an overview of the M/WBE Certification process. These workshops allows for vendors to ask questions directly to our Certification Officers and provide the opportunity to learn more about doing business with Cook County Government.
- Continued service improvement with the Cook County and City of Chicago Reciprocal Certification initiative. Firms currently certified by both agencies are no longer required to submit dual applications to both the County and City, which in turn translates to cost-savings to small businesses via a single application fee in addition to creating a more streamlined process for small businesses.
- We will focus on building upon current initiatives and adding new strategies for greater inclusion of local M/WBEs in the County's efforts.





TONI PRECKWINKLE
PRESIDENT

Cook County Board of Commissioners

ROBERT STEELE, 2nd District
Chairman, Contract Compliance Committee

EARLEAN COLLINS, 1st District

JERRY BUTLER, 3rd District

STANLEY MOORE, 4th District

DEBORAH SIMS, 5th District

JOAN PATRICIA MURPHY, 6th District

JESUS G. GARCIA, 7th District

EDWIN REYES, 8th District

PETER N. SILVESTRI, 9th District

BRIDGET GAINER, 10th District

JOHN P. DALEY, 11th District

JOHN A. FRITCHEY, 12th District

LARRY SUFFREDIN, 13th District

GREGG GOSLIN, 14th District

TIMOTHY O. SCHNEIDER, 15th District

JEFFREY R. TOBOLSKI, 16th District

ELIZABETH ANN DOODY GORMAN, 17th District

Ivan Samstein
Chief Financial Officer

Jacqueline Gomez
Director of Contract Compliance

Shannon Andrews
Chief Procurement Officer