

**REPORT OF THE COMMITTEE ON FINANCE**

**PUBLIC HEARING**

**JULY 25, 2011**

The Honorable,  
The Board of Commissioners of Cook County

**ATTENDANCE**

Present: Chairman Daley, Vice Chairman Sims, Commissioners Butler, Collins, Fritchey, Gainer, Garcia, Gorman, Goslin, Murphy, Reyes, Schneider, Silvestri, Suffredin and Tobolski (15)

Absent: Commissioners Beavers and Steele (2)

Also Present: Patrick T. Driscoll, Jr. – Deputy State’s Attorney, Chief, Civil Actions Bureau; Andrea Gibson – Director of Budget and Management Services; Gregg Wass – Chief Information Officer, Bureau of Technology; Dr. Terry Mason – Interim Chief Executive Officer, Cook County Health & Hospitals System; Moshe Jacobius – Presiding Judge, Chancery Division; Carina Segalini – Mortgage Foreclosure Case Management Coordinator, Circuit Court of Cook County.

Court Reporters: Holly Williams and Paula Vering

Ladies and Gentlemen:

Your Committee on Finance of the Board of Commissioners of Cook County met pursuant to notice on Monday, July 25, 2011 at the hour of 9:00 A.M. for a public hearing in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Chairman Daley asked the Secretary to the Board to call upon the registered public speakers, in accordance with Cook County Code, Sec. 2-107(dd).

- 1) Marilyn Smith, Executive Director, Center for Conflict Resolution
- 2) Brandon Williams, Supervising Attorney of the Chancery Court Advice Desk
- 3) Robert Graves, Executive Director, Chicago Bar Foundation
- 4) Juan Rivera, Executive Director, Latin United Community Housing Association
- 5) Billy Ocasio, Director of Community Affairs, Illinois Housing Development Authority
- 6) Adam Gross, Director of Housing, Business & Professional People for the Public Interest
- 7) Dan Sprehe, Executive Director of Civic Engagement, JPMorgan Chase Bank
- 8) Patricia Holden, Senior Vice President State and Local Government, Bank of America

Your Committee has considered the following items and upon adoption of this report, the recommendations are as follows:

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY MOVED TO SUSPEND COOK COUNTY CODE SECTION 2-108(h)(1), PRIOR NOTICE TO PUBLIC; AGENDAS, TO CONSIDER COMMUNICATION NOS. 312117, 312118 AND 313644. THE MOTION CARRIED.**

312117

**AN ORDINANCE AMENDMENT REVISING THE PROCUREMENT AND CONTRACTS CHAPTER OF THE CODE OF ORDINANCES OF COOK COUNTY, ILLINOIS, TITLE I GENERAL ORDINANCES, CHAPTER 34, FINANCE (PROPOSED ORDINANCE AMENDMENT).** Submitting a Proposed Ordinance Amendment sponsored by Earlean Collins and Larry Suffredin, County Commissioners.

PROPOSED ORDINANCE AMENDMENT

**AN ORDINANCE REVISING THE PROCUREMENT AND CONTRACTS CHAPTER OF THE CODE OF ORDINANCES OF COOK COUNTY, ILLINOIS**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Title I General Ordinances, Chapter 34 Finance of the Code of Ordinances of Cook County, Illinois is amended as follows:

**Sec. 34-121. Contracts for supplies, material and work.**

C. All contracts for supplies, materials and equipment for Cook County, including the separately elected Officials, which involve an expenditure of \$100,000.000 or more shall be reviewed by a competent contract attorney from the Civil Actions Division of the Cook County State's Attorney's Office prior to final approval by the Board of Commissioners. The State's Attorney shall review the contract for content, validity, and legal sufficiency.

D. All contracts for professional and managerial services for Cook County, including the separately elected Officials, which involve an expenditure of \$25,000.000 or more shall be reviewed by a competent contract attorney from the Civil Actions Division of the Cook County State's Attorney's Office prior to final approval by the Board of Commissioners. The State's Attorney shall review the contract for content, validity, and legal sufficiency.

E. Prior to the approval of a winning vendor's bid for a contract, the Purchasing Agent shall conduct a thorough review of that vendor's background.

F. The Purchasing agent shall create and maintain an electronic revolving contract file.

G. Contracts shall not be let, renewed, extended or increased without a

written performance evaluation. The results of the performance evaluation shall be reviewed by the finance committee for recommendation to the Board. The purchasing department should develop uniform criteria for such evaluations.

H. Purchasing agent shall routinely challenge all using agency's request to limit competition, particularly sole source purchases except for proprietary technological equipment and software.

I. All proposed contracts shall be made available for review by the Board of Commissioners at least three days before the Board of Commissioners takes final action on the contract.

**\*Referred to the Committee on Finance on 4-06-2011.**

**COMMISSIONER COLLINS, SECONDED BY COMMISSIONER SUFFREDIN, MOVED TO DEFER COMMUNICATION NO. 312117. THE MOTION CARRIED.**

312118 AN ORDINANCE REVISING THE PROCUREMENT AND CONTRACTS CHAPTER OF THE CODE OF ORDINANCES OF COOK COUNTY, ILLINOIS, TITLE I GENERAL ORDINANCES, CHAPTER 34, FINANCE (PROPOSED ORDINANCE AMENDMENT). Submitting a Proposed Ordinance Amendment sponsored by Earlean Collins and Larry Suffredin, County Commissioners.

PROPOSED ORDINANCE AMENDMENT

**AN ORDINANCE REVISING THE PROCUREMENT AND CONTRACTS CHAPTER OF THE CODE OF ORDINANCES OF COOK COUNTY, ILLINOIS**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Title I General Ordinances, Chapter 34 Finance of the Code of Ordinances of Cook County, Illinois is amended as follows:

**Sec. 34-151. Purchase Procedures and Competitive Bidding.**

(5) All RFP and/or RFQ generated proposals shall be made available to Commissioners 3 days prior to Board action.

© The Purchasing department shall establish intergovernmental agreements with State and local units of government for consolidated purchases.

(d) The Purchasing agent shall be give the authority to negotiate annual joint contracts through the bid process for goods and services in accordance with line item appropriation for all Cook County departments and units of government.

(e) The Cook County Board of Commissioners shall establish a Purchasing committee to work directly with the Purchasing agent.

**\*Referred to the Committee on Finance on 4-06-2011.**

COMMISSIONER COLLINS, SECONDED BY COMMISSIONER SUFFREDIN, MOVED TO DEFER COMMUNICATION NO. 312118. THE MOTION CARRIED.

313155      **RESOLUTION FOR THE SELECTION OF A BOND FINANCING TEAM (PROPOSED RESOLUTION).** Submitting a Proposed Resolution sponsored by Toni Preckwinkle, President, Cook County Board of Commissioners.

PROPOSED RESOLUTION

**WHEREAS**, Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois provides that “a County which has a Chief Executive Officer elected by the electors of the County ... (is) a Home Rule Unit” and The County of Cook, Illinois (the “*County*”), has a Chief Executive Officer elected by the electors of the County and is therefore a Home Rule Unit and may, under the power granted by said Section 6(a) of Article VII of the Constitution of 1970, as supplemented by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended, exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

**WHEREAS**, the County has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

**WHEREAS**, the Board of Commissioners of the County (the “*Board*”) has not adopted any ordinance, resolution, order or motion or provided any County Code provisions which restrict or limit the exercise of the home rule powers of the County in the issuance of general obligation bonds without referendum for corporate purposes or which provides any special rules or procedures for the exercise of such power; and

**WHEREAS**, the County anticipates issuing, from time to time, one or more series of general obligation bonds to pay approved capital project costs, to refund one or more series of its outstanding general obligation bonds, and to pay other costs the Chief Financial Officer (the “*CFO*”) deems appropriate for payment through bond proceeds; and

**WHEREAS**, the CFO has fulfilled the procurement requirements set forth in Chapter 34, Article IV, Division 3, Sections 34-183 and 34-185 of the Cook County Code of Ordinances; and

**WHEREAS**, pursuant to Sections 34-183 and 34-185 of the Cook County Code of Ordinances, the selection of senior managers, co-managers, and bond counsel are to be submitted to the Board for approval.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board approves the following Financing Team for Bond Issuances authorized by the Board pursuant to any 2011 Master Bond Ordinance approved and passed by the Board:

Lead Manager: William Blair

Co-Lead Manager: Cabrera Capital Markets LLC (MBE)

Co-Managers: BMO Capital Markets  
Goldman Sachs  
Mesirow Financial  
Loop Capital Markets (MBE)  
Melvin and Company (MBE)  
Podesta and Company (WBE)

Financial Advisor: AC Advisory (M/WBE)

Bond Counsel: Chapman and Cutler LLP

Co-Bond Counsel: Sanchez Daniels & Hoffman LLP (MBE)

Underwriter's Counsel: Ungaretti & Harris LLP

Co-Underwriter's Counsel: Charity & Associates PC (MBE)

**Effective Date:** Resolution effective upon passage.

**\*Referred to the Finance Committee on 6-14-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO RECEIVE AND FILE COMMUNICATION NO. 313155. THE MOTION CARRIED.**

313634 **AMENDING THE PREVAILING WAGE ORDINANCE AND CHAPTER 44 HUMAN RESOURCES (PROPOSED ORDINANCE AMENDMENT).** Transmitting a Communication, dated July 11, 2011 from Toni Preckwinkle, President, Cook County Board of Commissioners.

Submitting a Proposed Ordinance Amendment sponsored by Toni Preckwinkle, President, Earlean Collins, Jerry Butler, John P. Daley, Jesus G. Garcia, Robert B. Steele and Larry Suffredin, County Commissioners.

**PROPOSED ORDINANCE AMENDMENT**

**AMENDING THE PREVAILING WAGE ORDINANCE  
AND CHAPTER 44 HUMAN RESOURCES**

BE IT FURTHER ORDAINED, by the Cook County Board of Commissioners, that Chapter 34 Finance, Sec. 34-128 and Sec. 34-128.5 and Chapter 44 Human Resources, Sec. 44-45 of the Cook County Code are hereby amended as follows:

Sec. 34-128. Prevailing wage.

~~(c) The Bureau of Human Resources shall publicly post or keep available for inspection by any interested party in the main office of this Bureau of Human Resources (County) this determination or any revisions of such prevailing rate of wage. A copy of this determination or of the current revised determination of prevailing rate of wages then in effect shall be attached to all contract specifications.~~

Sec. 34-128.5. - General prevailing rate of wages for employees on service contracts.

~~(d) Such prevailing wages and working conditions shall be determined by the Chief of the Bureau of Human Resources and shall be specified in the call for bids for the services contract for each type of worker needed to execute the contract or perform such services. There shall also be inserted in the contract a stipulation that not less than the prevailing rate of wages as found by the Chief of the Bureau of Human Resources shall be paid to all laborers, workers and mechanics performing services under the contract. It shall further be required in all contractor's bonds that the contractor include such provisions as will guarantee the faithful performance of such prevailing wage clause as provided by the services contract.~~

(8) The prevailing rate of wages and prevailing working conditions for Covered Services shall be determined by the Chief of the Bureau of Human Resources. For purposes of this Sec., the term "prevailing rate of wages" means the hourly cash wages plus fringe benefits for health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character. Whenever a collective bargaining agreement is in effect between the Building Owners and Managers Association of Chicago and employees who are represented by a responsible labor organization, such agreement and its provisions shall be considered as conditions prevalent in that locality by the Chief of the Bureau of Human Resources.

(9) The Bureau of Human Resources shall post on the County website or keep available for inspection the current prevailing rates of wages.

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

**\*Referred to the Finance Committee on 7-12-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO DEFER COMMUNICATION NO. 313634. THE MOTION CARRIED.**

313635 **RELOCATING DIVISION 7 – INTERGOVERNMENTAL CONTRACTS AND DIVISION 8 – PREDATORY LENDERS FROM THE PROCUREMENT CODE TO OTHER CHAPTERS OF THE COUNTY CODE (PROPOSED ORDINANCE AMENDMENT).** Transmitting a Communication, dated July 11, 2011 from Toni Preckwinkle, President, Cook County Board of Commissioners.

Submitting a Proposed Ordinance Amendment sponsored by Toni Preckwinkle, President, Earlean Collins, Jerry Butler, John P. Daley, Jesus G. Garcia, Robert B. Steele and Larry Suffredin, County Commissioners.

**PROPOSED ORDINANCE AMENDMENT**

**RELOCATING DIVISION 7 – INTERGOVERNMENTAL CONTRACTS AND  
DIVISION 8 – PREDATORY LENDERS FROM THE PROCUREMENT  
CODE TO OTHER CHAPTERS OF THE COUNTY CODE**

BE IT FURTHER ORDAINED, by the Cook County Board of Commissioners, that Chapter 34 Finance, Sec. 34-311 through Sec. 34-343 and Chapter 2 Administration, Sec. 2-950 through 2-953 and Sec. 2-407 of the Cook County Code are hereby amended as follows:

**~~DIVISION 7~~ ARTICLE XI, INTERGOVERNMENTAL CONTRACTS**

**Sec. ~~34-311~~ 2-950. Authorized.**

**Sec. ~~34-312~~ 2-951. Intergovernmental activity by County officers and employees.**

**Sec. ~~34-313~~ 2-952. Intergovernmental agreements temporary.**

**Sec. ~~34-314~~ 2-953. Review of contracts by County Board and State's Attorney.**

**Sec. ~~34-315~~. Computation of cost.**

~~The cost to be charged the governmental unit pursuant to the provisions of this division shall include, in addition to actual cost for goods and services, a factor to be determined in each individual contract to recompense the County for the burden assumed for participation in such agreement.~~

**~~DIVISION 8~~. PREDATORY LENDERS**

**Sec. ~~34-340~~ 2-407. ~~Short title~~ Predatory lending ordinance.**

This ~~division~~ section may be cited as the Cook County Predatory Lending Ordinance.

**Sec. ~~34-341~~. Definitions.**

(a) Definitions. The following words, terms and phrases, when used in this ~~division~~ section shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

**Sec. ~~34-342~~. County contracts.**

(b) County contracts.

~~(a)~~ (1) The Chief Financial Officer shall determine whether any financial institution seeking a contract with the County is a predatory lender as defined in this division section. If the Chief Financial Officer determines that any such financial

institution is a predatory lender, the County will not award a contract to such financial institution. For purposes of this division section, a County contract shall not include designation as a County depository. The Chief Financial Officer shall notify the Treasurer of this determination.

(b) (2) With each bid or offer submitted by a financial institution for any contract with the County, there shall be a pledge signed by the chairman of the board, chief executive officer, or other officer of the financial institution acceptable to the Chief Financial Officer. The pledge shall be in substantially the following form:

We pledge that we are not and will not become a predatory lender as defined in Cook County's Predatory Lending Ordinance. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in this Ordinance. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the County.

(e) (3) Nothing in this division section shall affect the validity of any contract entered into in connection with any debt obligations issued by or on behalf of the County prior to a determination by the Chief Financial Officer that an entity participating in the contract is a predatory lender.

(d) (4) The Chief Financial Officer, at the direction of the President of the County Board, may suspend the ineligibility of a financial institution in order to allow Execution of a contract with the financial institution upon written application by the head of a County agency or department affected by the proposed contract setting forth facts sufficient in the judgment of the purchasing agent to establish:

(1) a. That the public health, safety or welfare of the County requires the goods or services of the financial institution; and

(2) b. That the County is unable to acquire the goods or services at comparable price and quality, and in sufficient quantity, from other sources.

~~Sec. 34-343. County depositories.~~

(c) County depositories.

(a) (1) All financial institutions, seeking designation as a County depository by the County Board upon the request of the Treasurer, shall submit to the Chief Financial Officer, prior to any such designation, a pledge affirming that neither it nor any of its affiliates is or will become a predatory lender within the County. Upon receipt, the Chief Financial Officer shall forward this pledge to the Treasurer. The pledge shall be signed by the chairman of the board, chief executive officer, or other officer of the financial institution acceptable to the Chief Financial Officer. The pledge shall be in substantially the following form:

We pledge that we are not and will not become a predatory lender as defined in Cook County's Predatory Lending Ordinance. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in this Ordinance. We

understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of our designation as a County depository.

(b) (2) Upon receipt of any written complaint regarding predatory lending practices by any financial institution seeking designation as a County depository or serving as a County depository, the Chief Financial Officer shall refer such complaints to the Treasurer who may conduct an investigation of the complaint in accordance with the Treasurer's policies and procedures.

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

**\*Referred to the Finance Committee on 7-12-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO DEFER COMMUNICATION NO. 313635. THE MOTION CARRIED.**

313636 **ORDINANCE MOVING DEFINITION OF "PROPERTY TAX INCENTIVE" FROM LIVING WAGE ORDINANCE TO CHAPTER 74 TAXATION (PROPOSED ORDINANCE AMENDMENT). Transmitting a Communication, dated July 11, 2011 from Toni Preckwinkle, President, Cook County Board of Commissioners.**

Submitting a Proposed Ordinance Amendment sponsored by Toni Preckwinkle, President, Earlean Collins, Jerry Butler, John P. Daley, Jesus G. Garcia, Robert B. Steele and Larry Suffredin, County Commissioners.

#### **PROPOSED ORDINANCE AMENDMENT**

##### **ORDINANCE MOVING DEFINITION OF "PROPERTY TAX INCENTIVE" FROM LIVING WAGE ORDINANCE TO CHAPTER 74 TAXATION**

BE IT FURTHER ORDAINED, by the Cook County Board of Commissioners, that Chapter 34 Finance, Sec. 34-127 and Chapter 74 Taxation, Sec. 74-71 of the Cook County Code are hereby amended as follows:

##### **Sec. 34-127. Living wage.**

~~Property tax incentive means a reduction in the assessment level as set forth in Chapter 74, Article II, Division 2 of this Code for owner occupied Class 6b industrial property, Class 8 industrial property, or Class 9 multifamily residential property. For the purpose of this article, "property tax incentive" shall not include a Class 9 designation granted to supportive living facilities, which establish an alternative to nursing home care for low income older persons and persons with disabilities under Medicaid and which are certified by the State Department of Public Aid pursuant to Chapter 74, Article II, Division 2 of this Code, the County Real Property Assessment Classification Ordinance.~~

Sec. 74-71. - Definitions.

Property tax incentive means a reduction in the assessment level as set forth in Chapter 74, Article II, Division 2 of this Code for owner-occupied Class 6b industrial property, Class 8 industrial property, or Class 9 multifamily residential property. For the purpose of this article, "property tax incentive" shall not include a Class 9 designation granted to supportive living facilities, which establish an alternative to nursing home care for low income older persons and persons with disabilities under Medicaid and which are certified by the State Department of Public Aid pursuant to Chapter 74, Article II, Division 2 of this Code, the County Real Property Assessment Classification Ordinance.

Effective Date: This Ordinance Amendment shall be in effect immediately upon adoption.

**\*Referred to the Finance Committee on 7-12-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO DEFER COMMUNICATION NO. 313636. THE MOTION CARRIED.**

313637 **LIVING WAGE REQUIREMENT FOR PROPERTY TAX INCENTIVES (PROPOSED ORDINANCE).** Transmitting a Communication, dated July 11, 2011 from Toni Preckwinkle, President, Cook County Board of Commissioners.

.Submitting a Proposed Ordinance sponsored by Toni Preckwinkle, President, Earlean Collins, Jerry Butler, John P. Daley, Jesus G. Garcia, Robert B. Steele and Larry Suffredin, County Commissioners.

#### **PROPOSED ORDINANCE**

#### **LIVING WAGE REQUIREMENT FOR PROPERTY TAX INCENTIVES**

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 74 Taxation, Sec. 74-72 of the Cook County Code is hereby enacted:

#### **Sec. 74-72. Living wage requirement.**

Unless expressly waived by the County Board, not less than a Living Wage, as defined in the Cook County Procurement Code, shall be paid to each Employee of any Employer that receives a Property Tax Incentive for owner-occupied property. Each Employer receiving a Property Tax Incentive shall comply with all the requirements and procedures set forth in the County Code Chapter 34 with regard to such Living Wage, including notification of Employees and all other requirements.

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

**\*Referred to the Finance Committee on 7-12-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO DEFER COMMUNICATION NO. 313637. THE MOTION CARRIED.**

313638

**CHIEF FINANCIAL OFFICER'S DUTIES REGARDING LIVING WAGE (PROPOSED ORDINANCE).** Transmitting a Communication, dated July 11, 2011 from Toni Preckwinkle, President, Cook County Board of Commissioners.

Submitting a Proposed Ordinance sponsored by Toni Preckwinkle, President, Earlean Collins, Jerry Butler, John P. Daley, Jesus G. Garcia, Robert B. Steele and Larry Suffredin, County Commissioners.

**PROPOSED ORDINANCE**

**CHIEF FINANCIAL OFFICER'S DUTIES REGARDING LIVING WAGE**

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 2 Administration, Sec. 2-408 of the Cook County Code is hereby enacted as follows:

**Sec. 2-408. Chief Financial Officer's duties with regard to Living Wage.**

The Chief Financial Officer shall annually determine the Living Wage, as defined in the Procurement Code, which shall be 100 percent of the federal poverty line for a family of four with health benefits and 125 percent of the federal poverty line for a family of four without health benefits, as published in the most recent federal poverty guidelines by the U.S. Department of Health and Human Services. The employee health benefit contribution shall not exceed 25 percent of the health insurance premium. The Chief Financial Officer shall post the current Living Wage on its website and shall notify the Chief Procurement Officer and the Assessor of such Living Wage.

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

**\*Referred to the Finance Committee on 7-12-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO DEFER COMMUNICATION NO. 313638. THE MOTION CARRIED.**

313639

**ASSESSOR'S DUTIES REGARDING LIVING WAGE (PROPOSED ORDINANCE).**

Transmitting a Communication, dated July 11, 2011 from Toni Preckwinkle, President, Cook County Board of Commissioners.

Submitting a Proposed Ordinance sponsored by Toni Preckwinkle, President, Earlean Collins, Jerry Butler, John P. Daley, Jesus G. Garcia, Robert B. Steele and Larry Suffredin, County Commissioners.

**PROPOSED ORDINANCE**

**ASSESSOR'S DUTIES REGARDING LIVING WAGE**

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 2 Administration, Sec. 2-318 of the Cook County Code is hereby enacted as follows:

**Sec. 2-318. Assessor's duties with regard to Living Wage.**

(a) Upon receipt of notification of the Living Wage by the CFO, the Assessor shall post the current Living Wage on the Assessor's website.

(b) The Assessor shall provide annual written notification to the Chief Financial Officer of all employers receiving property tax incentives, including the employer's name, mailing, and email address.

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

**\*Referred to the Finance Committee on 7-12-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO DEFER COMMUNICATION NO. 313639. THE MOTION CARRIED.**

313640 **ORDINANCE AMENDING DEFINITIONS AND RULES OF CONSTRUCTION IN CHAPTER 1 GENERAL PROVISIONS (PROPOSED ORDINANCE AMENDMENT).** Transmitting a Communication, dated July 11, 2011 from Toni Preckwinkle, President, Cook County Board of Commissioners.

Submitting a Proposed Ordinance Amendment sponsored by Toni Preckwinkle, President, Earlean Collins, Jerry Butler, John P. Daley, Jesus G. Garcia, Robert B. Steele and Larry Suffredin, County Commissioners

**PROPOSED ORDINANCE AMENDMENT**

**ORDINANCE AMENDING DEFINITIONS AND RULES OF CONSTRUCTION  
IN CHAPTER 1 GENERAL PROVISIONS**

BE IT FURTHER ORDAINED, by the Cook County Board of Commissioners, that Chapter 1 General Provisions, Sec. 1-3 of the Cook County Code are hereby amended as follows:

**Sec. 1-3. Definitions and rules of construction.**

The term "Department" means a department which is a part of the government of the County of Cook, Illinois, and shall include an agency which is a part of the government of the County of Cook, Illinois. ~~However, for the purposes of Chapter 34, Article IV, the term "Department" means one of the entries listed in the Index of Departments contained in the Annual Appropriation Bill.~~

**Effective Date:** This Ordinance Amendment shall be in effect immediately upon adoption.

**\*Referred to the Finance Committee on 7-12-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO DEFER COMMUNICATION NO. 313640. THE MOTION CARRIED.**

313641 **RELOCATING, FROM CHAPTER 34 TO CHAPTER 2, SALE OR PURCHASE OF REAL ESTATE (PROPOSED ORDINANCE AMENDMENT).** Transmitting a Communication, dated July 11, 2011 from Toni Preckwinkle, President, Cook County Board of Commissioners.

**PROPOSED ORDINANCE AMENDMENT**

Submitting a Proposed Ordinance Amendment sponsored by Toni Preckwinkle, President, Earlean Collins, Jerry Butler, John P. Daley, Jesus G. Garcia, Robert B. Steele and Larry Suffredin, County Commissioners

**RELOCATING, FROM CHAPTER 34 TO CHAPTER 2  
SALE OR PURCHASE OF REAL ESTATE**

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 34 Finance, Sec. 34-133 and Chapter 2 Administration, Sec. 2-362 of the Cook County Code are hereby amended as follows:

**Sec. ~~34-133~~ 2-362. Sale or purchase of real estate.**

(a) Unless the sale price is \$50,000.00 or less, no surplus real estate owned by the County shall be sold or exchanged or otherwise disposed of unless two written independent fee appraisal reports have first been obtained and presented to the County Board and the proposed sale or exchange has been presented to the Committee on Finance Real Estate and Business and Economic Development Subcommittee of the County Board. At least one of such appraisals shall be performed by an M.A.I.-certified appraiser. The grantee may be required to pay the cost of such appraisals as a condition of conveyance of the real estate proposed to be sold or exchanged or otherwise disposed of.

(b) Unless the purchase price is \$50,000.00 or less, no real estate shall be purchased by the County unless two written independent fee appraisal reports have first been obtained and presented to the County Board and the proposed purchase has been presented to the Committee on Finance Real Estate and Business and Economic Development Subcommittee of the County Board. At least one of such appraisals shall be an M.A.I. appraisal.

I If the sale or purchase price is \$50,000.00 or less, only one appraisal shall be required, which appraisal shall be performed by an M.A.I.-certified appraiser or a State certified general appraiser licensed by the State of Illinois and having expertise in appraising similar properties.

Effective Date: This Ordinance Amendment shall be in effect immediately upon adoption.

**\*Referred to the Finance Committee on 7-12-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO DEFER COMMUNICATION NO. 313641. THE MOTION CARRIED.**

313643 **FISCAL YEAR 2011 CAPITAL EQUIPMENT REQUESTS.** Transmitting a Communication dated July 11, 2011 from Andrea Gibson, Director, Budget and Management Service:

Subject: Fiscal Year 2011 Capital Equipment Requests

Pursuant to Executive Order 2010-1 placing a moratorium on capital equipment, the Department of Budget and Management Services is submitting a report for Fiscal Year 2011 Capital Equipment Requests. A summary report by department and category of purchase is available for viewing or download at the following website:

<http://legacy.cookcountygov.com/secretary>

**\*Referred to the Finance Committee on 7-12-11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER GARCIA, MOVED APPROVAL OF COMMUNICATION NO. 313643. THE MOTION CARRIED.**

313644 **AMENDMENT AND RESTATEMENT OF COOK COUNTY PROCUREMENT ORDINANCE (PROPOSED ORDINANCE AMENDMENT).** Submitting a Proposed Ordinance Amendment sponsored by Toni Preckwinkle, President, Earlean Collins, Jerry Butler, John P. Daley, Jesus G. Garcia, Robert B. Steele and Larry Suffredin, County Commissioners.

#### **PROPOSED ORDINANCE AMENDMENT**

#### **AMENDMENT AND RESTATEMENT OF COOK COUNTY PROCUREMENT ORDINANCE**

##### **PREAMBLE**

WHEREAS, the Chief Procurement Officer (the "CPO") is charged with the responsibility to Procure and contract for all services, supplies, materials and equipment, required by any office, department, institution or agency of the County government;

WHEREAS, one goal of the CPO is to serve the citizens of Cook County by obtaining quality goods and services at the lowest cost while operating the highest standards of ethical conduct;

WHEREAS, the CPO seeks to ensure the timely and efficient procurement of supplies, materials, equipment and services;

WHEREAS, the CPO seeks to employ a transparent procurement process in which

authority, responsibility and accountability are clearly delineated; and

WHEREAS, a clear and consistent procurement code is essential to achieve the goals of transparency, fairness, efficiency, accountability and economy;

NOW, THEREFORE, BE IT ORDAINED THAT Chapter 34, Article IV of the Cook County Code, is hereby amended and restated in its entirety to read as follows:

**\*Referred to the Finance Committee on 7/12/11.**

The Proposed Ordinance in Comm. No. 313644 appears above in synopsis form. For a complete version, please visit the website of the Secretary to the Board at <http://legacy.cookcountygov.com/secretary>

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED TO AMEND BY SUBSTITUTION THE COMPREHENSIVE RESTATEMENT OF THE COOK COUNTY PROCUREMENT CODE (COMMUNICATION NO. 313644). THE MOTION CARRIED, AND THE PROPOSED ORDINANCE WAS REPLACED BY THE FOLLOWING SUBSTITUTE:**

**PROPOSED SUBSTITUTE ORDINANCE FOR COMM. NO. 313644**

Sponsored by

THE HONORABLE TONI PRECKWINKLE, PRESIDENT, JOHN P. DALEY AND LARRY SUFFREDIN, COOK COUNTY BOARD OF COMMISSIONERS

**PREAMBLE**

**WHEREAS**, the Chief Procurement Officer (the "CPO") is charged with the responsibility to Procure and contract for all services, supplies, materials and equipment, required by any office, department, institution or agency of the County government;

**WHEREAS**, one goal of the CPO is to serve the citizens of Cook County by obtaining quality goods and services at the lowest cost while operating the highest standards of ethical conduct;

**WHEREAS**, the CPO seeks to ensure the timely and efficient procurement of supplies, materials, equipment and services;

**WHEREAS**, the CPO seeks to employ a transparent procurement process in which authority, responsibility and accountability are clearly delineated; and

**WHEREAS**, a clear and consistent procurement code is essential to achieve the goals of transparency, fairness, efficiency, accountability and economy;

**NOW, THEREFORE, BE IT ORDAINED THAT** Chapter 34, Article IV of the Cook County Code, is hereby amended and restated in its entirety to read as follows:

DIVISION 1. GENERAL PROVISIONS

**Sec. 34-120. Short title.**

Chapter 34, Article IV of this Code shall be known and may be cited as the Cook County Procurement Code.

**Sec. 34-121. Definitions.**

Unless defined elsewhere in this Procurement Code or in Chapter 1, Sec. 1-3 of the County Code, capitalized terms used in this Procurement Code shall have the meanings set forth below.

*Affiliate.* An "Affiliate" of, or a Person "Affiliated" with, a specified Person shall mean any Person that directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the Person specified.

*Assessor* means the Assessor of Cook County.

"Auditing Services" means the formal examination of accounting records or financial statements for compliance with financial accounting standards applicable to governmental entities, which functions are generally exclusively performed or supervised by Persons licensed and authorized to do business as public accountants in the State. The term "Auditing Services" shall also include any independent reports and management recommendations derived or resulting from the performance of auditing services and which reports and recommendations are included within the scope of the Contract for Auditing Services.

*Bid* means a response to a Bid Notice containing all Bid Documents and any other documents or information the Bidder is required to provide.

*Bid Documents* means the documents, specifications, forms and other information necessary required for a Bid.

*Bid Notice* means the notice from the CPO regarding a Procurement which shall include: a general description of the Procurement; information necessary to obtain the Bid Documents; and the date, time and place for both the submission of Bids and the opening of the Bids.

*Bid Price* means the dollar amount set forth in a Bid.

*Bidder* means any Person who submits a Bid.

*Chief Financial Officer or "CFO"* means the Chief Financial Officer of Cook County.

*Chief Procurement Officer or "CPO"* means the Chief Procurement Officer of Cook County. References in this Procurement Code to actions required to be taken by the CPO shall be deemed to include designees or staff of the CPO.

"Consulting Services" means the rendering of analysis and advice requiring specialized expertise in a particular subject area or field. Such expertise may have been gained by education or experience in the area or field. The term "Consulting Services" expressly excludes auditing services.

*Contract* shall include any written document to make Procurements by or on behalf of Cook County.

*Contract Compliance Director* or *CCD* means the County Contract Compliance Director.

*Contractor* means the Person that enters into a Contract with the County.

*Control*. The term “Control”, “is Controlled by”, or is “under common Control with” shall mean a Person that has the power to directly or indirectly affect the management or the policies of the other through ownership of voting securities or voting rights, by contract or otherwise

*Court Ordered Child Support Arrearage* means that the Circuit Court of Cook County has issued an order declaring the respondent in arrearage on child support obligations in a specific amount as of the date of that order, or that another Illinois or non Illinois court of competent jurisdiction has issued such an order.

*Covered Services* means janitorial cleaning services, window cleaning services, elevator operator and starter services, and security services.

*Elected Official* means the President and Commissioners of the Cook County Board, Assessor, Board of Review, Chief Judge, Clerk of the Circuit Court, County Clerk, Recorder of Deeds, Sheriff, State’s Attorney, Treasurer, and any other elected official included in the Cook County Appropriations Ordinance.

*Employee* means any individual working on a full-time basis, and providing services, for an Employer under a Contract. “Employees” shall not include workers required to be paid the prevailing wage pursuant to Sec.34-161.

*Employer* means any Person that employs one or more full-time Employees.

*Execution* means to sign a Contract, after it has been approved by the CPO or the Board, as required by this Procurement Code.

*Joint Venture* means an association of two or more Persons proposing to perform a for profit business enterprise. Joint Ventures must have an agreement in writing specifying the terms and conditions of the relationship between the partners and their relationship and respective responsibility for the Contract.

*Living Wage* means those amounts established from time to time by the CFO, and posted on the CPO’s website pursuant to Sec. 34-160.

*Local business* means a Person, including a foreign corporation authorized to transact business in Illinois, having a bona fide establishment located within the County at which it is transacting business on the date when a Bid is submitted to the County, and which employs the majority of its regular, full-time work force within the County. A Joint Venture shall constitute a Local Business if one or more Persons that qualify as a “Local Business” hold interests totaling over 50% in the Joint Venture, even if the Joint Venture does not, at the time of the Bid submittal, have such a bona fide establishment within the County.

*Not-for-Profit Organization* means an entity having tax exempt status under the United States Internal Revenue Code.

*Person or Persons* means any individual, corporation, partnership, Joint Venture, trust, association, limited liability company, sole proprietorship or other legal entity.

*Procurement.* The term "Procurement", "Procurements" or "Procuring" means obtaining supplies, equipment, goods, or services of any kind.

*Procurement Code* means Chapter 34, Article IV.

*Proposal* means a response to an RFP.

*Proposer* means a Person submitting a Proposal.

*Public Works* means all fixed works constructed or demolished by the County, or paid for wholly or in part out of public funds administered by the County. "Public Works" as defined herein includes all projects financed in whole or in part with bonds, grants, loans, or other funds made available by or through federal or State government, or the County. "Public Works" does not include projects undertaken by the owner at an owner-occupied single-family residence or at an owner-occupied unit of a multi-family residence. "Public Works" includes any maintenance, repair, assembly, or disassembly work performed on equipment whether owned, leased, or rented.

*Response* means response to an RFQ.

*Respondent.* The term "Respondent" means a Person responding to an RFQ.

*Responsible* means a Person that has the capability in all respects to perform fully a Contract or to provide the required supplies, equipment, goods or services to the County, and the integrity and reliability that will assure good faith performance. Factors taken into consideration in determining whether a Person is Responsible may include quality, financial capacity, past performance, experience, adequacy of staff, equipment, and the ability to perform within the time frame required for the Procurement.

*Responsive* means a Bid, a Response or a Proposal is in compliance in all material respects with all the terms, conditions and requirements set forth in the Bid Documents, RFP, RFQ, request for quotations or other terms required for a Procurement, including but not limited to completion and timely submittal of all required affidavits, statements, certifications, bid deposits, insurance, performance and payment bonds and other County requirements.

*RFP* means a Request for Proposals issued pursuant to this Procurement Code.

*RFQ* means a Request for Qualifications issued to obtain the qualifications of interested parties.

*Using Agency* means the departments or agencies within Cook County government, including Elected Officials.

*Wage.* The term "Wage" means compensation due to an Employee by reason of employment, including allowances for gratuities and for meals and lodging that are furnished by the Employer and actually used by the Employee.

**Sec. 34-122. Procurements and contracts.**

All Procurements for or by any Using Agency of Cook County, regardless of the source of the funds used to pay for such Procurement, shall be made by the CPO, and in accordance with this Procurement Code and the procedures promulgated pursuant hereto. All Contracts shall be in a form determined by the CPO. Contracts shall be approved and executed as set forth in the procedures promulgated pursuant to and in this Procurement Code.

**Sec. 34-123. No power to act for procurements or expenditures of ~~\$250,000.00~~150,000.00 or more.**

The CPO shall have the authority to approve Procurements and execute Contracts in an amount less than ~~\$250,000.00~~150,000.00 without Board approval; provided, however, that, Board approval shall be required for any Procurement of the same or similar supplies, goods, equipment or services, which would result in the aggregate amount of such Procurements from the same vendor by the same Using Agency equaling or exceeding ~~\$250,000.00~~150,000.00 in any fiscal year. The "amount" of a Contract shall mean the maximum amount payable under such Contract.

No Person has the power or authority to approve, authorize or execute a Procurement, a Contract, or the expenditure of public money in the amount of ~~\$250,000.00~~150,000.00 or more without approval of the County Board, except in the following instances: the payment of public utility bills, the payment of rent pursuant to the provisions of a lease previously approved by the County Board, payment of insurance premiums, or other Board-authorized transactions. Any action in violation of this section shall be null and void.

**Sec. 34-124. Chief Procurement Officer.**

The President, with the consent of the Board, shall appoint a Chief Procurement Officer who shall be responsible for making all Procurements for all Using Agencies and for managing the County's Procurement Process in accordance with this Procurement Code. Any individual so appointed shall have at least three years experience in an executive capacity in the purchasing office of a private or public entity with procurements reasonably comparable in size and nature to those of the County.

**Sec. 34-125. Powers and duties of the Chief Procurement Officer.**

The Chief Procurement Officer shall:

(a) Make all Procurements and conduct all activities related to the Procurement Process in accordance with the Procurement Code and any procedures promulgated pursuant hereto;

(b) Establish and maintain procurement policies and procedures, and standardized documents and forms to implement the Procurement Code;

(c) Cooperate with the Contracts Compliance Director to coordinate the procurement process with the Minority and Women Owned Business Program established pursuant to Division 8 of this Procurement Code;

(d) Develop and maintain procedures for disseminating information and notice of procurement opportunities;

(e) Have authority to implement innovative procurement methods and processes pursuant to this Procurement Code;

(f) Have authority to approve and execute an assignment of or an amendment to a Contract; provided that any such amendment does not extend the Contract by more than one (1) year, and further provided that the total cost of all such amendments does not increase the amount of the Contract beyond the authority of the CPO granted in Sec. 34-123, or in the case of Contracts approved by the Board, provided that the total cost of all such amendments does not increase the Contract by more than 10%;

(g) Have authority to establish the commencement and expiration dates of any Contract as necessary to permit the Contract period to commence upon the date of Execution of the Contract by the County, unless another commencement date is specified in the Contract;

(h) Within the CPO's authority, approve and execute Contracts;

(i) Ensure that all certifications, statements and affidavits required by this Procurement Code are submitted;

(j) Determine when supplies, materials and equipment are obsolete or unusable, and trade in, sell or dispose of such property, except for such property which is the responsibility of the Cook County Health and Hospitals System;

(k) Compile and maintain information for all Procurements, including those Procurements which do not require Board approval. The CPO shall submit a report to the Board on a quarterly basis listing the of the individual and total aggregate amount of all Procurements that do not require Board approval which do not require Board approval, including a list of each ~~person~~ Person from whom the County makes such a Procurements and the method of Procurement applied. The CPO shall work with the Comptroller to also provide a quarterly report of the individual and total aggregate amount disbursements made for Procurements that do not require Board approval.

(l) Make available on the County's website information related to all Procurements, including but not limited to a list of Contracts and a list of Contractors and subcontractors;

(m) Keep a record of any Person who has been disqualified under Division 4, Disqualification; Penalties, and shall provide such record to the Cook County Health and Hospitals System;

(n) Have authority to terminate a Contract in accordance with its terms;

(o) Issue notices of violation to enforce the provisions of this Code, as applicable, and institute enforcement proceedings under Chapter 2, Article IX, as appropriate; and

(p) Work with the Comptroller to assure that Contractors are not paid in advance of performance, unless such advance payment is provided for and properly justified in the Contract; and

(pg) Have charge of such other Procurement activities as may be assigned by the President or the Board.

## DIVISION 2. PROCUREMENT PROCEDURES

### Sec. 34-135. Procurement methods.

All County Procurements shall be made pursuant to the appropriate procurement method set forth below and described in the applicable Section.

Sec. 34-136.	Competitive Bidding;
Sec. 34-137.	Small Procurements;
Sec. 34-138.	Requests for Qualifications or Proposals;
Sec. 34-139.	Sole Source Procurements;
Sec. 34-140.	Comparable Government Procurement;
Sec. 33-141.	Emergency Procurements;
Sec. 34-142.	Joint Procurements;
Sec. 34-143.	Consortium and Group Procurements.

### Sec. 34-136. Competitive bidding.

Procurements of supplies, materials, equipment, and services shall be made by the competitive bidding process as set forth in this Section, unless such Procurements meet the criteria for another procurement method set forth in this division. The CPO shall follow the procedures set forth below for competitive bidding.

(a) *Development and approval of Bid Documents.* The Using Agency shall provide to the CPO all information required by the CPO to prepare the Bid Documents, including minimum qualifications, specifications and any special conditions.

(b) *Bid Notice.* Upon request by a Using Agency, the CPO shall publish a Bid Notice on the County's website at least (5) days before the date for the submission of Bids.

(c) *Pre-Bid conference or site inspection.* The Bid Documents shall include details of any pre-Bid conference or site inspection, including whether any such pre-Bid conference or site inspection is mandatory. The CPO shall keep a record of all Persons who request Bid Documents. The CPO will notify all Persons recorded as having requested Bid Documents of any changes with respect to such conference or inspection no later than at least 24 hours prior to the original scheduled date and no less than two (2) business days prior to any newly scheduled date for such conference or inspection.

(d) *Communications with the County regarding competitive bidding process.* From the time the Bid Notice is issued until the successful Bidder has been recommended to the Board by the CPO, all communications to the County relating to the Bid must be directed in writing (which may be electronic) only to the CPO, or as otherwise specified in the Bid Documents. Upon receipt of such a request, the CPO

will determine if a response will be provided. Any such response shall be provided to all Persons requesting the Bid Documents. Notwithstanding the foregoing, communications may be made to the Office of Contract Compliance in writing for the purpose of complying with Division 8, Minority and Women-Owned Business Enterprise Program.

(e) *No changes to Bids.* No Bid may be changed, amended or supplemented in any way after the date and time for submission of Bids.

(f) *Bid opening.* All Bids shall be opened and a record of such Bids shall be made on the date, and at the time and location as stated in the Bid Notice. All Bids shall be opened, and the name of the Bidder and the Bid Price shall be read publicly. If it is determined that an error was made in the public reading of the Bids, the CPO shall notify all Bidders of such error and reconvene the Bid opening to correct the record as soon as reasonably possible. If the Bids are submitted electronically, no public reading shall be required so long as a record of the Bids opened is publicly available immediately after the Bids are opened.

(g) *If only one Bid is received.* If only one Bid has been submitted, the CPO will determine whether to open the Bid or return the Bid to the Bidder via certified mail and re-issue the Bid Notice or use a different method to make the Procurement. If the Bid was submitted electronically, and is not opened, it shall be deleted from the electronic procurement system.

(h) *Evaluation of Bids.* The CPO shall review, evaluate and tabulate Responsive Bids. In determining the apparent low Bid, the CPO shall consider the Responsibility of the Bidder and all applicable preferences and incentives provided in this Procurement Code. The CPO shall then direct the Bids along with the tabulation to the Using Agency for review. Upon full review of the Bids and Bid tabulations, the Using Agency shall notify the CPO in writing of its Procurement recommendation, with justification supporting such recommendation. The CPO shall review the recommendation of the Using Agency, and shall post on the County's website the CPO's recommended Bid.

(i) *Bid protest.* Any Bidder who reasonably believes that the recommended Bidder is not the lowest Responsive and Responsible Bidder, or has a complaint about the bid process, may submit a bid protest, in writing, and directed to the CPO. Any bid protest must be submitted no later than three (3) business days after the date upon which the CPO posts the recommended Bid. The bid protest must specify why the protester believes the recommended Bidder is not the lowest Responsive and Responsible Bidder, or why the protestor believes the bid procedure was unfair, including a statement of how the alleged unfairness prejudiced the protesting Bidder and the action requested of the CPO. A bid protest based on an issue which could have been clarified through a request for clarification or information pursuant to Sec. 34-136 (d) *Communications with the County regarding competitive bidding process*, will not be considered if the protesting Bidder failed to make such request. When a bid protest has been submitted, no further action shall be taken on the Procurement until the CPO makes a decision. The CPO shall issue a written decision on the bid protest to the protesting Bidder and to any other Bidder affected by such decision as soon as reasonably practicable. If the bid protest is upheld based on a lack of fairness in the bid procedure, the CPO shall re-bid the Procurement. If the CPO determines that the recommended Bidder was not Responsive and Responsible, that Bidder shall be disqualified and the CPO may either recommend the lowest Responsive and Responsible Bidder or re-bid.

(j) *Board Action.* Upon resolution of any bid protests, or expiration of the three (3) day protest period with no protests, the CPO shall submit the Contract to the Board, through its Finance Committee,

for approval and authorization for the CPO to Execute the Contract. Once the Contract has been approved by the Board, the CPO shall post on the CPO's website information regarding the Procurement.

(k) *Right to reject Bids.* The County shall have the right to reject any and all Bids. The CPO is authorized to exercise this right on behalf of the Board. The CPO shall include a provision in the Bid Documents reserving the right to reject any and all Bids.

(l) Procurements *Under ~~\$250,000.00~~150,000.00.* The competitive bidding process for procurements greater than \$5,000.00 and less than ~~\$250,000.00~~150,000.00 may consist of a solicitation posted on the CPO's website. The CPO shall promulgate policies and procedures to implement such Procurements. The CPO is not required to read or announce such Bids publicly. The CPO shall select the lowest Responsive Bid made by a Responsible Person, and shall post on the CPO's website information regarding the Procurement.

**Sec. 34-137. Small procurements.**

Procurements of the same or similar supplies, goods, equipment or services by a Using Agency in an aggregate amount from the same vendor of less than \$5,000 in the same fiscal year do not require a competitive method. The CPO shall promulgate policies and procedures to implement such Procurements.

**Sec. 34-138. Requests for qualifications or proposals.**

(a) *Criteria for use of request for qualifications or proposals.* The CPO may determine that it is in the best interest of the County to make a Procurement utilizing the Request for Qualifications or Request for Proposals process. Examples of Procurements for which an RFQ or RFP process is appropriate include but are not limited to: Procurements involving services requiring a high degree of professional skill where the ability or fitness of the Person plays an important part; Procurements where the requirements are not clearly known; Procurements where quality rather than quantity is a primary factor; and Procurements where it is not in the best interest of the County to make price a primary determinative factor. An RFP process is a competitive process under this Procurement Code, and a Person selected through an RFP process is not considered a "sole source."

(b) *Content of RFQs and RFPs.* The CPO shall determine what provisions RFQs and RFPs should contain. The Using Agency shall provide the CPO with the necessary details, provisions and requirements for the RFQ or RFP. RFQs and RFPs shall include a provision stating that the County may negotiate a Procurement with one or more Respondents or Proposers.

(c) *Issuance.* The CPO shall issue an RFQ or RFP after receiving a written request from the Using Agency. Notice of all RFQ's and RFP's shall be posted on the CPO's website.

(d) *Opening of Responses.* The Responses or Proposals shall be opened in the presence of one or more witnesses after the designated date and time for submission. The names of the Respondents or Proposers shall be available to the public after the Procurement has been completed.

(e) *Evaluation and Selection for Contract Negotiation.* The CPO in coordination with the Using Agency shall develop evaluation criteria which are included in the RFQ or RFP. These criteria may include, but are not limited to experience and qualifications of the Respondent or Proposer, the quality,

content and completeness of the Response or Proposal, the demonstrated willingness and ability of the Respondent or Proposer to satisfy the requirements as described in the RFQ or RFP, and, if applicable, the cost proposal. A committee led by the CPO with representatives of the Using Agency and other persons designated by the CPO. Respondents or Proposers shall be accorded fair treatment with regard to evaluation of their Responses or Proposals. Any or all Respondents or Proposers may be requested to make presentations and/or submit clarifications or revisions to their Responses or Proposals for the purpose of obtaining best and final Responses or Proposals. The Using Agency shall document the results of the evaluation. The contents of the Responses or Proposals shall not be disclosed to competing Respondents or Proposers during the evaluation process or any discussions.

(f) *Contract negotiation, approval and Execution.* The Using Agency may send its recommendation to the CPO, setting forth the reasons for such recommendation, which shall be based upon the evaluation criteria. Board approval is not required to negotiate a Contract. After a Contract is negotiated, the CPO shall either execute the Contract, if within the CPO's authority, or forward the Contract to the Board for approval and authorization for the CPO to execute the Contract. Such request shall include the justification for the Contract and the selection of the Contractor.

**Sec.34-139. Sole source procurements.**

Procurements of supplies, equipment, goods or services may be made without use of one of the competitive processes if there is either only one source or there is a need for the unique or specialized skill, experience, or ability possessed by a particular source. The Using Agency must submit a letter to the CPO justifying the sole source Procurement, and provide any other documents or information required by the CPO.

**Sec. 34-140. Comparable government procurement.**

If a governmental agency has awarded a contract through a competitive method for the same or similar supplies, equipment, goods or services as that sought by the County, the Procurement may be made from that vendor at a price or rate at least as favorable as that obtained by that government agency without utilizing a competitive procurement method set forth in this Procurement Code.

**Sec. 34-141. Emergency procurements.**

The CPO may make Procurements and execute Contracts without use of one of the competitive processes set forth in this Procurement Code and without prior approval of the Board, when such Procurements are necessary (i) due to a threat to public health or safety, (ii) for repairs to County property in order to protect against further loss or damage, (iii) to prevent or minimize serious disruption in County services, (iv) to ensure the integrity of County records, or (v) in the reasonable opinion of the CPO, for the best interests of the County. If practicable under the circumstances, the CPO shall obtain quotations or Proposals from at least three Persons. The CPO shall report the basis for the emergency Procurement and reasons for the selection of the Contractor to the Finance Committee of the Board within five (5) business days of making an emergency Procurement.

**Sec. 34-142. Joint procurements.**

Procurements may be made pursuant to the Governmental Joint Purchasing Act, 30 ILCS §525.

**Sec. 34-143. Consortium and group procurements.**

Procurements may be made pursuant to the County's membership or participation in a purchasing consortium, provided that the Board has approved such membership or participation, for, at least in part, the purpose of obtaining advantageous pricing and other efficiencies for the County. Procurements made through a purchasing consortium shall be approved and executed as set forth in this Procurement Code.

**Sec. 34-144. Innovative procurement.**

(a) The CPO may make a Procurement using innovative methods of procurement, including but not limited to electronic procurement, reverse auctions, electronic bidding, electronic auctions, and pilot procurement programs that have no cost to the County. In order to implement innovative methods of procurement, either directly or through a service provider, the CPO must make a determination that such process is competitive and in the best interest of the County.

(b) As an alternative or in addition to directly conducting procurement using innovative methods, the CPO may make a Procurement of electronic procurement services for conducting reverse auctions, electronic auctions, or provide an on-line or electronic forum for competitive Bids, Requests for Qualifications and Requests for Proposals and other types of innovative methods of procurement on the County's behalf. The Contract for such Procurement may contain such terms as the CPO deems necessary, including, but not limited to, terms that specify the source and amount of the compensation. With respect to Procurements made pursuant to this section, the CPO is authorized to charge a reasonable service fee to the Contractors from which Procurements are made in order to cover part or all of the County's costs associated with such electronic procurement, including the costs of engaging a service provider. Such service fee shall be paid as directed by the CPO.

(c) The CPO shall have authority to adopt rules and regulations for the proper administration and enforcement of the provisions of this section, including the authority to modify the requirements of this Procurement Code as necessary to implement such innovative or electronic procurement method.

(d) Any document, affidavit, certification or form required by the Procurement Code or submitted in connection with any Procurement may be accepted by the CPO in electronic format subject to compliance with accepted means and methods of verification and authentication of electronic signatures.

**DIVISION 3. WAGE REQUIREMENTS**

**Sec. 34-160. Living Wage.**

(a) Unless expressly waived by the Board, any Contract requiring the use of full-time non-County Employees to provide services or labor under the Contract shall include a provision requiring that the Contractor shall pay not less than the Living Wage to such Employees, unless such Employees' Wages are governed by Federal or State law. The Contractor shall require all subcontractors to comply with this Section. This Section shall not apply to Contracts with not-for-profit organizations or Contracts funded by Federal grants or loans.

(b) If a Contractor or any of its subcontractors is found to be in violation of this Section, such Contractor be required to pay back pay to each affected Employee, and may also be fined by the County up to \$100 for each affected Employee for each day paid at less than the Living Wage. Such penalties will not be imposed on any Person except after a hearing pursuant to Chapter 2, Article IX, Administrative Hearings.

(c) If a Contractor or any of its subcontractors is found to have retaliated against an affected Employee, the Contractor may be held to be in breach of the Contract and the Contract may be terminated unless such Contractor or the subcontractor appropriately reinstates or compensates such Employee.

(d) The CPO shall require that any such Contractor certify that it will comply with this Section.

(e) Pursuant to County Code Chapter 2, Article V, Division 3, Subdivision I, Sec. 2-408, the CFO shall annually determine the Living Wage.

(f) The CPO shall post the current Living Wage on the CPO's website.

(g) Every Contractor and subcontractor required to pay the Living Wage shall notify its Employees of the Living Wage requirement and shall notify all of its Employees annually of any adjustment to the Living Wage. In addition, the Employer shall notify its Employees that if any Employee contends that the Employer is not paying a Living Wage or has otherwise violated this Section, that Employee may file a complaint with the Cook County Commission on Human Rights ("Commission"). If at the conclusion of the Commission's investigation, the Commission finds that the Employer has violated this Section, it shall (1) in the case of an Employer receiving a property tax incentive, notify the Assessor; or (2) in the case of a Contractor or a subcontractor required to pay the Living Wage, notify the CPO, who shall exercise such remedies as are in the best interest of the County, including ordering the Employer to pay back pay and penalties, as provided in this Section.

#### **Sec. 34-161. Illinois Prevailing Wage.**

(a) To the extent required by the Illinois Prevailing Wage Act (820 ILCS 130/0.01 *et seq*) (the "Prevailing Wage Act"), the general prevailing rate of Wages in this locality for laborers, mechanics and other workers engaged in the construction of Public Works coming under the jurisdiction of this County shall be the same as the prevailing rate of Wages for construction work in the Cook County area as determined from time to time by the Department of Labor of the State of Illinois. The definition of any terms used in this Section which are also used in the Prevailing Wage Act shall be the same as in said Act.

(b) Nothing herein contained shall be construed to apply the general prevailing rate of Wages to any work or employment except Public Works of this County and only to the extent required by the Prevailing Wage Act.

(c) The CPO shall include in the Bid Notice for any Public Works Contract, and shall include in the Bid Documents, a requirement that not less than the prevailing rate of Wages as found by the County or the Department of Labor or determined by the court on review shall be paid to all laborers, workers and mechanics performing work under such Public Works Contract.

(d) Prior to awarding any Public Works Contract, the CPO shall ascertain whether the Bidder is debarred pursuant to the Prevailing Wage Act.

#### **Sec. 34-162. Federal Prevailing Wage.**

If a Procurement will be paid for using federal funds, and if such federal funding requires compliance with the Davis-Bacon Act (40 U.S.C. 276a-276a-7), then the Contract shall contain provisions requiring that the Contractor and any subcontractors shall pay the federal prevailing Wage.

**Sec. 34-163. Prevailing wages for covered services.**

(a) Not less than the prevailing rate of Wages shall be paid and prevailing working conditions shall be provided to any laborer, worker and mechanic providing Covered Services under a Contract.

(b) In order to be considered a Responsive Bidder for any Contract for Covered Services, the Bidder shall certify that Wages paid to its employees will be no less, and fringe benefits and working conditions of such employees shall be no less favorable, than those prevailing in the locality in which the Covered Services are to be performed, as determined by the Chief of the Bureau of Human Resources and posted on the website.

(c) The CPO of Cook County shall include in the Bid Notice for any Contract for Covered Services, and shall include in the specifications for any such Contract a provision that (i) not less than the prevailing rate of Wages shall be paid, and prevailing working conditions shall be provided, to all laborers, workers and mechanics performing Covered Services and (ii) all bonds required under such Contract shall include such provisions as will guarantee the faithful performance of such provision in the Contract.

**DIVISION 4. DISQUALIFICATION, PENALTIES**

**Sec. 34-170. Disqualification due to contract default or termination.**

(a) If a Person has had a Contract terminated for cause by the County, or if a Person has failed to cure a default within any cure period provided by the Contract, such Person shall be ineligible to enter into a Contract with the County for a period of twenty-four (24) months from the date of termination or notice of default.

(b) When a Contract has been terminated for cause or when an uncured default exists under a Contract, the Contractor may submit a request to the CPO for a reduction or waiver of the ineligibility period. The request shall be in writing and shall include documentation that one or more of the following actions have been taken:

(1) There has been a bona fide change in ownership or Control of the ineligible Person;

(2) Disciplinary action has been taken against the individual(s) responsible for the acts giving rise to the termination or default; or

(3) Remedial action has been taken to prevent a recurrence of the acts giving rise to the termination or default.

The CPO shall review the documentation, make any inquiries deemed necessary, and determines whether a reduction or waiver is appropriate.

(c) A Using Agency may request an exception to such period of ineligibility, by submitting a written request to the CPO, supported by facts that establish that it is in the best interests of the County that the Procurement be made from such ineligible Person. The CPO shall review the documentation,

make any inquiries deemed necessary, and determining whether the request should be approved. If an exception is granted, such exception shall apply to that Procurement only and the period of ineligibility shall continue for its full term as to any other Procurements.

**Sec. 34-171. Disqualification for County tax or debt delinquency or obligation default.**

(a) A Person that is (i) delinquent in the payment of any tax (including real estate tax) or fees administered by the County, (ii) delinquent in the payment of any debt to the County, (iii) is in default of any obligation to the County; or (iv) is a "predatory lender," as determined pursuant to the Cook County Predatory Lending Ordinance, shall be ineligible to enter into a Contract with the County. Notwithstanding the foregoing, a Person shall not be ineligible, nor shall the County exercise any rights to set-off or other remedies set forth in Sec.34-196 against a Person, if such Person is contesting liability for the delinquency in a pending administrative or judicial proceeding, or contesting the existence of a default, and shows proof of the contest; or if such Person has entered into an agreement for the payment of such delinquency and verifies compliance with the agreement.

(b) The CPO shall obtain a written certification from every Person from whom the County seeks to make a Procurement that such Person meets the requirements of subsection (a).

(c) The County shall not be prohibited from making a Procurement from, and shall not exercise rights to set-off or other remedies set forth in Sec.34-196 against a Person who is contesting liability for the delinquency, in a pending administrative or judicial proceeding, or contesting the existence of a default, and shows proof of the contest; from a Person who has entered into an agreement for the payment of such delinquency and verifies compliance with the agreement.

(d) A Using Agency may request an exception to such ineligibility by submitting a written request to the CPO, supported by facts that establish that it is in the best interests of the County that the Procurement be made from such ineligible Person. The CPO shall review the documentation, make any inquiries deemed necessary, and determine whether the request should be approved.

**Sec. 34-172. Disqualification for noncompliance with child support orders.**

(a) A Person shall be ineligible to enter into a Contract with the County if such Person or a Substantial Owner (as defined in Article V, Sec. 34-367) is delinquent in the payment of a Court-Ordered Child Support Arrearage.

(b) If the County becomes aware that a Person or Substantial Owner becomes delinquent in payments under a Court-Ordered Child Support Arrearage after the County has entered into a Contract with such Person or Substantial Owner, then after notice from the County of such noncompliance and a thirty (30) day opportunity to pay such delinquency, such delinquency of such Person or Substantial Owner shall be an event of default under the Contract. Such Person or Substantial Owner shall provide sufficient evidence to the CPO of payment of such delinquency.

**Sec. 34-173. Disqualification for illegal activity.**

(a) *Disqualifying Acts.* A Person who has been convicted of, entered a plea of *nolo contendere* as to, or made an admission of guilt, pursuant to the laws of any Federal, State or local jurisdiction, for any

of the following, shall be ineligible to enter into a Contract for a period of five years from the date of conviction, entry of a plea or admission of guilt:

- (1) Bribing or attempting to bribe;
- (2) Bid-rigging, attempting to rig bids;
- (3) Price fixing or attempting to fix prices; or
- (4) Defrauding or attempting to defraud.

(b) *Disqualification due to acts of owner, partner or shareholder* A Person shall be ineligible to enter into a Contract if an individual who Controls such Person would be disqualified under any provision of this Sec.34-173.

**Sec. 34-174. Disqualification for willful violation of Cook County Independent Inspector General Ordinance.**

A Person found to have willfully failed to cooperate in an investigation by the Cook County Independent Inspector General shall be subject to disqualification as provided in Article II, Sec. 2-291 of the Code.

**Sec. 34-175. Penalty for false statements.**

Any Person who knowingly makes a false statement of material fact to Cook County in writing in connection with a Procurement is liable to the County for a penalty of \$500.00, in addition to any other remedy provided for in the Procurement Code or at law or in equity, including termination of any Contract or disqualification. No fine will be imposed on any Person except after any applicable proceeding pursuant to Chapter 2, Article IX, Administrative Hearings.

**Sec. 34-176. Penalties for failure to pay Cook County taxes and fees.**

The CPO shall include in every Contract a provision that entitles the County to set off and subtract from the Contract price a sum equal to any fines and penalties, including interest, for each tax or fee delinquency and any debt or obligation owed by the Contractor to the County.

**Sec. 34-177. Uniform penalties, interest and procedures.**

The determination as to whether a Person is disqualified under any provision of this Division 4 or has made a false statement, shall be made pursuant to Chapter 2, Article IX, Administrative Hearings.

**DIVISION 5. PROCUREMENT PROCEDURES AND POLICIES FOR CERTAIN PROCUREMENTS**

**Sec. 34-190. Percentage of work of Public Works projects to be performed by County residents.**

For any Public Works Contract having an estimated contract price of \$100,000.00 or more, where not otherwise prohibited by Federal or State law, at least fifty percent (50%) of the total hours worked on the site by employees of the Contractor and subcontractors shall be performed by residents of the County.

**Sec. 34-191. Green construction.**

For all competitive Bids for Public Works Contracts budgeted for \$2,000,000 or more, the Bid Documents shall comply with the requirements of Chapter 30, Environment, Article IX, Green Construction, Sec. 30-952, Emission Reduction, and any Contract resulting therefrom shall include all provisions required by Chapter 30, Article IX, Sec. 30-955.

**Sec. 34-192. Predatory lenders.**

With each Bid or Response submitted by a financial institution for any Contract, the following certification shall be signed by the chairman of the board, chief executive officer, or other officer of the financial institution acceptable to the Chief Financial Officer:

We pledge that we are not and will not become a predatory lender as defined in Cook County's Predatory Lending Ordinance. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in this Ordinance. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the County.

**Sec. 34-193 Contracts for Consulting and Auditing Services.**

- (a) The County will not enter into any Contract for Auditing Services, nor shall it consent to a subcontract for such Auditing Services, with any Person, if such Person, or any Affiliate of such Person, has a Contract or subcontract for consulting services for or with the County. Additionally, the County will not enter into any Contract for Consulting Services, nor shall it consent to a subcontract for such Consulting Services, with any Person, if such Person, or any Affiliate of such Person, has a Contract or subcontract for Auditing Services for or with the County. For purposes of this provision, "County" shall refer only to offices which are administered by the President of the County Board and shall not refer to offices which are administered by Elected Officials.
- (b) The County shall not enter into any Contract for Consulting Services on behalf of an Elected Official, nor shall it consent to a subcontract for such Consulting Services on behalf of an Elected Official, with any Person, if such Person, or any Affiliate of such Person, has a Contract or subcontract to provide Auditing Services for the Elected Official.
- (c) The CPO shall require the Contractor in each Contract for Auditing or Consulting Services for the County (as defined in this section) to provide a certification acceptable to the CPO that neither the Contractor nor any Affiliate of the Contractor has a Contract or a subcontract to provide Consulting or Auditing Services for the County which is prohibited under Subsection (a) of this section. In addition, the CPO shall require the Contractor in each Contract to provide Consulting Services for an Elected Official to provide a certification acceptable to the CPO that neither the Contractor nor any Affiliate of the Contractor has a Contract or a subcontract to provide Auditing Services for the Elected Official which is prohibited under Subsection (b) of this section.

**Sec. 34-200. Definitions.**

The following words, terms and phrases, when used in this subdivision shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Co-managers* means underwriting firms responsible for participating in the underwriting and the marketing of bonds issued by the County.

*Senior managers* means underwriting firms responsible for assisting with the development of the financial plan and managing the underwriting and the marketing of the bonds.

**Sec. 34-201. Competitive process for legal counsel and finance teams for debt transactions.**

(a) The Chief Financial Officer may request that the CPO issue an RFQ at least once every three years for selection of legal counsel and finance professionals required for debt transactions.

(b) The RFQ for legal counsel shall request at least the following information: descriptive information about each firm, the experience of the attorneys within the firm having expertise in the areas of municipal finance law or Federal tax law pertaining to tax-exempt bonds; the manner in and degree to which the firm operates or is otherwise present in the County or State; the manner in and degree to which the firm is owned by minority or female attorneys; the manner in and degree to which the firm employs minority or female attorneys and promotes or incubates the participation of minority or female attorneys in public finance initiatives; the firm's written policies regarding sexual harassment; and other special areas of expertise or strength. A "qualified" list shall be developed by the Chief Financial Officer for each type of financing.

(c) The RFQ for underwriters and other professionals shall request at least the following information, as applicable:

- (1) Experience and expertise in structuring and marketing bonds and notes, detailing experience with various types of issuances, including general obligation bonds, revenue bonds and tax anticipation notes, and including examples of similar financings on which the firm has been senior manager or co-manager.
- (2) Financial strength of the firm, particularly its capital allocated to underwriting governmental bonds.
- (3) Degree of corporate investment or "presence" in the County and State, including the location of corporate offices, brokerage offices, or back-office operations.
- (4) The manner in and degree to which the firm is owned by minorities or females; manner and degree to which the firm employs minority or female finance professionals; the manner in and degree to which the firm promotes or incubates the participation of minority or female finance professionals in public finance initiatives; and the firm's written policies regarding sexual harassment.
- (5) Other special areas of expertise or strength.

(d) A "qualified" list of underwriters and other professionals shall be developed by the Chief Financial Officer for each type of financing.

**Sec. 34-202. Selection.**

(a) For each debt transaction or for multiple debt transactions the Chief Financial Officer shall select three or more firms from the qualified list for each of the following, as required for the transaction: bond counsel, co-bond counsel, underwriter and co-underwriter counsel, special tax counsel, senior manager and co-manager and financial advisor. The Chief Financial Officer shall request that each of the firms under consideration submit a Proposal which shall include at least the following, as applicable: experience with the particular type of financing; a recommended strategy for identifying and targeting Procurers of the bonds experience with tax issues; knowledge of the County; the key personnel to be assigned for the engagement, including their qualifications and experience; the proposed fees for the engagement; and the proportion of minority or female ownership of the firm and the manner in and degree to which female and minority professionals will provide services in connection with the transaction.

(b) The Chief Financial Officer shall recommend to the President the selection of bond counsel, professionals and underwriters based upon the Proposals. In making the recommendation the Chief Financial Officer shall consider a rotation to give each firm a fair opportunity to participate in County bond sales. The selection shall be made by the President, upon the recommendation of the Chief Financial Officer, and shall be submitted to the County Board for approval. The President shall report to the County Board the reasons for selection of the firm assigned the work. The Proposals shall be available for review by members of the County Board. The President shall report to the County Board the reasons for making the selections.

**Sec. 34-203. Specific bond underwriter requirements.**

Each Contract between the County and any bond underwriters shall include the following:

(1) The underwriter shall use its best efforts to assure that the County meets its objectives in the fair and reasonable allocation of bond selling commissions to members of the underwriting syndicate, particularly to Cook County and minority- and women-owned firms;

(2) The underwriter shall report the allocation of bond selling commissions and fees received by each member of the underwriting syndicate to the Chief Financial Officer within 30 days of closing of the bond issue; and

(3) The underwriter shall comply with all limitations or disclosure requirements concerning political contributions that are or may be imposed by the Municipal Securities Regulatory Board or the Securities and Exchange Commission. Failure by the underwriter to comply with this provision shall not void the sale, but the underwriter may be subject to disqualification as set forth in Division 5.

*Subdivision II. Recycled Products.*

**Sec. 34-215. Purpose.**

This subdivision shall be known as the "Cook County Recycled Product Procurement Policy." Its purpose is to promote market development of recycled products, recyclable products, and equipment

capable of using such materials by establishing preferential purchasing programs applicable to all Using Agencies and Contractors, thereby diverting materials from the solid waste stream.

**Sec. 34-216. Policies.**

(a) All Using Agencies shall whenever practicable use recycled products, recyclable products and reusable products to meet their demands.

(b) Using Agencies and the CPO shall, whenever practicable, specify in the Contract Documents the use of recycled products and recyclable products.

(c) In procuring designated products pursuant to this division, the CPO shall require recovered material and/or post-consumer material content to be factors in determining the lowest Responsive Bid in any competitive bidding procurement process.

**Sec. 34-217. Definitions.**

The following words, terms and phrases, when used in this division shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Chlorine-free paper* or *paper products* means recycled paper in which the virgin content is unbleached or bleached without chlorine or chlorine derivatives, or virgin paper which is unbleached or processed with a sequence that includes no chlorine or chlorine derivatives.

*Designated products* means all products that have been or may be identified pursuant to Sec. 34-218 as products that can be procured with significant levels of recovered materials.

*Minimum content standards* means standards set by the County Board, or in its absence, standards or guidelines currently promulgated by the United States Environmental Protection Agency, specifying the minimum level of recovered materials and/or post-consumer material necessary for designated products to qualify as recycled products.

*Paper* and *paper products* means all items manufactured from paper or paperboard.

*Post-consumer material* means only those products generated by a business or consumer which have served their intended end uses, and which have been separated or diverted from the solid waste stream for the purposes of collection, recycling, and disposition.

*Post-consumer paper material* means paper, paperboard, and fibrous waste including corrugated boxes, newspapers, magazines, mixed waste paper, tabulating cards and used cordage after the point at which they have passed through their end use as consumer items.

*Practicable* means:

- (1) Able to perform in accordance with applicable specifications;
- (2) Offered as the low Bid under the procedures in Sec. 34-219(b), herein;
- (3) Available within a reasonable period of time; and

- (4) Maintaining a satisfactory level of competition.

*Recovered material* means material and byproducts which have been recovered or diverted from solid waste, but does not include those materials and byproducts generated from, and commonly reused within, an original manufacturing process (such as mill broke or home scrap).

*Recovered paper material* means paper waste generated after the completion of a paper making process, such as post-consumer material, envelope cuttings, bindery trimmings, printing waste, cutting and other converting waste, butt rolls, and mill wrappers, obsolete inventories, and rejected unused stock. Recovered paper material, however, shall not include fibrous waste generated during the manufacturing process such as fibers recovered from waste water or trimmings of paper machine rolls (mill broke), or fibrous byproducts of harvesting, extractive or woodcutting processes, or forest residue such as bark.

*Recyclable* means that the product is technically capable of being recycled, and that economic markets for collecting and recycling the product exist within a reasonable distance, including steel and plastic.

*Recycle or recycling* means any process by which materials that would otherwise become municipal waste are collected, separated or processed and returned to the economic mainstream in the form of new, reused or reconstituted products, but does not include the recovery of materials for fuel in combustion or energy production processes. For lubricating oil, the term recycling is to be synonymous with re-refining. For toner cartridges, the term recycling is to be synonymous with re-manufacture.

*Recycled designated product* means a product designated in or pursuant to Sec. 34-218 that meets or surpasses the County's minimum content standards, and all other criteria for qualification as specified in this division.

*Reusable product* means a product that can be used several times for an intended end use before being discarded, such as a washable food or beverage container or a refillable ball point pen.

#### **Sec. 34-218. Designated products and recycled designated products.**

For all purposes of this subdivision, the products listed in this section or added pursuant to it are designated as products that can be readily procured with significant levels of recovered materials. Designated products shall qualify as recycled designated products if they meet minimum content standards established in this subdivision. Designated products shall include:

- (1) Paper and paper products.
- (2) Compost products.
- (3) Horticultural mulch made with recycled land clearing and other wood debris.
- (4) Construction aggregates made with recycled cement concrete, tire rubber, glass or asphalt.
- (5) Cement and asphalt concrete containing glass cullet, recycled fiber or plastic, or tire rubber.

(6) Antifreeze.

(7) Recycled plastic products, including lumber shapes, refuse carts, traffic cones, insulation, receptacle liners and recycling bins, traffic barriers and office products.

(8) Retreaded tires and products made from recycled tire rubber, including rubber mats and playfield surfaces.

(9) Toner cartridges for computer printers.

(10) Lubricating oil and hydraulic oil with re-refined oil content.

(11) Insulation products.

(12) Paint.

(13) Wood products containing 50 percent or more reused or deconstructed wood.

(14) Carpeting made from recycled fibers.

(15) Office furniture.

(16) All steel products.

(17) Other products as designated by the CPO.

**Sec. 34-219. Requirements for procurements.**

(a) Bid Notices and requests for Quotations for the procurement of tangible supplies, equipment, or goods shall contain no terms, requirements or specifications prohibiting or discouraging post-consumer or recovered material content, unless a Using Agency provides the CPO with satisfactory evidence that, for technical reasons and for a particular end use, a product containing such materials will not meet reasonable performance standards.

(b) In determining the lowest Responsive and Responsible Bid for the Procurement of designated products, the CPO shall use the procedures and evaluation criteria specified in this subdivision. If the lowest price offered for a recycled designated product is not more than the specified percentage higher than the lowest offered price for that same designated product that is not recycled, the offered price for the recycled designated product shall be considered the low Bid if such Bidder is otherwise Responsive and Responsible. The specified percentage will not be less than ten percent. However, nothing contained in this division shall preclude Using Agencies from requiring post-consumer or recovered material content as a bid specification.

(c) Each Contractor supplying the County with recycled designated products shall provide acceptable certification from all product manufacturers that the products being supplied meet or surpass County minimum content standards, and shall agree to reasonable verification procedures specified by the CPO.

(d) Bid Notices for designated products, whether recycled or not, shall require the successful Bidder to provide quarterly summaries of the quantities Procured by Using Agencies, unless the CPO determines that this requirement would significantly reduce the number of Bids received by Cook County.

(e) The County shall not Procure any item whose original manufacturer places restrictions on the remanufacturing of such item by other businesses.

**Sec. 34-220. Procurement of paper and printing services.**

(a) The County recycled paper procurement goal for Using Agencies (expressed as percentage of the total volume of paper Procured) shall be 60 percent. Each department shall be responsible for making its best effort to meet or surpass these goals.

(b) All paper Procured by the County shall be recycled paper, and all printed materials Procured by the County shall be on recycled paper, containing at least 30 percent post-consumer content, unless use of such recycled paper is not practicable. For all other paper products, the CPO shall adopt minimum content standards for recycled paper products which shall, at minimum, be consistent with standards presently promulgated by the United States Environmental Protection Agency.

(c) Printing services provided by the County or Procured by the County from an outside vendor shall utilize soy or other vegetable-based inks. If lithographic ink is used in printing performed by the County or in printing services Procured by the County from an outside vendor, the ink shall contain not less than the following percentages of vegetable oil:

- (1) News ink, 40 percent;
- (2) Sheet-fed and forms ink, 20 percent;
- (3) Heat-set ink, ten percent.

High quality color process printing on high speed heat-set presses is excepted when slow drying time significantly increases production costs.

(d) Departments shall publicize the County's use of recycled paper by printing the words "Printed on Recycled Paper" on all letterhead paper and on the title page of all reports printed on recycled paper.

(e) To reduce the volume of paper Procured, departments shall use both sides of paper sheets whenever practicable. If possible, copies shall be made by photo-copying from one computer-generated original, such that two-sided copies can be produced, rather than printing multiple one-sided originals.

(f) The CPO may enter into joint purchasing with other local and State agencies to reduce the cost of recycled paper product Procurements.

(g) All Bids for new equipment and services shall include language that will encourage the use of recycled paper and paper products, wherever practicable.

(h) Contracts shall contain provisions requiring all reports submitted by the Contractor shall use recycled paper, except where the specialized nature of certain materials (such as photographs) requires otherwise, and shall be printed two-sided unless two-sided printing is not practicable.

**Sec. 34-221. Responsibilities and reporting requirements—CPO.**

The CPO is responsible for:

- (1) Revising or amending standard Bid Documents and contract language where necessary to implement this division.
- (2) Working with Using Agencies and the Department of Environmental Control, adopt and update minimum content standards or other specifications for designated recycled products.

**Sec. 34-222. Exemptions.**

Nothing in this division shall be construed as requiring a department or contractor to procure products that do not perform adequately for their intended end use or are not available at a reasonable price in a reasonable period of time.

DIVISION 6. BID INCENTIVES AND PREFERENCES

**Sec. 34-230. Local business preference.**

The CPO shall recommend award of the Procurement to the lowest Responsible and Responsive Bidder which is a Local Business, so long as the Bid of such Bidder does not exceed the Bid of the lowest Responsive and Responsible Bidder by more than 2%.

**Sec. 34-231. Re-Entry Employment Bid Incentive Established; purpose.**

There is hereby established the Cook County Re-entry Employment Bid Incentive Ordinance, with the goal of working in conjunction with the Cook County Re-entry Employment Project to assist adults who are residents of the County and who are former offenders, in finding employment opportunities. This Ordinance is intended to increase public safety and reduce recidivism. For all Public Works Contracts with an estimated Bid Price of \$100,000.00 or more, advertised after the effective date of this Ordinance, the CPO shall include the Bid Incentive provision in all such advertisements.

**Sec. 34-232. Definitions.**

For purposes of this division only, the following definitions apply:

*Committee* means Cook County Re-entry Employment Committee.

*Earned Credit* means the amount allocated to a Contractor upon completion of a Qualifying Contract through which the Contractor met or exceeded the goals for the utilization of Former Offenders.

*Former Offenders* means adults who are residents of the County and who have been convicted of a crime.

*Labor hours* means the total hours of workers receiving an hourly Wage who are directly employed at the work site. "Labor hours" shall include hours performed by workers employed by the

contractor and all subcontractors working at the work site. "Labor hours" shall not include hours worked by nonworking foremen, superintendents, owners and workers who are not subject to prevailing Wage requirements.

*Qualifying Contract* means a Contract for Public Works with a Bid Price in excess of \$100,000, for which the Contractor is eligible for Earned Credits.

**Sec. 34-233. Re-entry employment committee.**

(a) The Committee will consist of:

- (1) A representative of the Cook County Bureau of Human Resources;
- (2) A representative of the President's Office of Employment Training;
- (3) A representative of the Office of Contract Compliance;
- (4) A representative of a nonprofit organization whose mission is to reintegrate former Offenders into society;
- (5) Two representatives appointed by the President, one of whom shall be a representative of organized labor, and one of whom shall be a Commissioner.

(b) The Committee shall work with appropriate organizations to identify Former Offenders for participation in this program.

**Sec. 34-234. Employment plan.**

A Contractor may qualify for Earned Credits by utilizing Former Offenders for work under a Qualifying Contract. In order to so qualify, a Bidder must include in its Bid for such Qualifying Contract an employment plan for Former Offenders by Contractor or any subcontractors. Bidders may request from the Committee a list of candidates. If the Bidder or any subcontractor employs Former Offenders or identifies potential candidates on its own, such candidates may be submitted to the Committee to determine if they are Former Offenders, as defined in this division.

**Sec. 34-235. Earned credits.**

- (a) Upon the completion of a Qualifying Contract, a Contractor may apply to the CPO for Earned Credits, on such forms and including such information as required by the CPO. If the Contractor met or exceeded the Former Offender employment goals established in the Qualifying Contract. If the CPO determines that the Contractor has successfully met or exceeded its employment plan in the Qualifying Contract, the CPO shall issue an Earned Credit Certificate that evidences the amount of Earned Credits calculated as set forth below. The Contractor may utilize the Earned Credits as set forth in this division in a future Bid for a Contract for Public Works of equal or greater value as the Qualifying Contract, by including a copy of the Earned Credit Certificate with its Bid.

(b) For any Qualifying Contract, the CPO shall determine the Earned Credits, as follows. And issue an Earned Credit Certificate, which shall be valid for three years from the date of issuance.

<i>Percentage of Total Labor Hours Performed by Former Offenders</i>	<i>Earned Credit</i>
5—10 %	½ % of Bid price
Over 10%	1 % of Bid price

(c) For purposes of calculating the lowest Responsive and Responsible Bidder only, the CPO shall deduct from the Bid Price the amount of Earned Credit set forth on the Earned Credit Certificate submitted by a Bidder. If the Bidder is awarded the Contract, such Earned Credit Certificate may not be used again in a future Bid.

**Sec. 34-236. Contractor's records.**

A Contractor shall retain all records supporting any Certificate of Earned Credits issued to such Contractor for a period of at least three years after issuance of such Certificate. A Contractor shall impose this requirement by contract with any subcontractors included in the employment plan. The Office of the CPO shall have access to the Contractor's and such subcontractors' records.

**Sec. 34-237. Veterans Preference, definitions.**

It is the policy of the County to provide an incentive for Contractors for Public Works Contracts when such Contractors utilize veterans for at least five percent (5%) of the hours worked under such Contract, as hereinafter set forth. For purposes of this Division, "*Eligible Veterans*" shall mean persons (a) who have been either members of the armed forces of the United States or while citizens of the United States, have been members of the armed forces of allies of the United States, (b) were members of such armed forces in time of hostilities occurring after September 11, 2001, and (c) have served (i) a total of at least six months; or (ii) for the duration of hostilities regardless of the length of engagement; or (iii) in the theater of operations for less than six months but was discharged on the basis of a hardship; or the veteran was released from active duty because of a service-connected disability and was honorably discharged. The preference provided for in this Section will be 1%. The CPO shall develop procedures for implementation of this Section. This Section shall take effect six months after the date of adoption.

**Sec. 34-238. Qualified Veteran-Owned Business incentive.**

(a) *Qualified Veteran-Owned Business* means a business entity that is 51 percent or more owned by one or more Eligible Veterans as defined in Sec. 34-237.

(b) The CPO shall give a preference of five percent of the amount of the Contract to a Responsible and Responsive Qualified Veteran-Owned Business. The CPO shall develop procedures for implementation of this Sec. 34-238(b). This section shall take effect six months after adoption.

(c) It is the goal of the County to award each year not less than five percent of its total expenditures for supplies, materials, equipment and services to Qualified Veteran-Owned Businesses. The

Contract Compliance Director may count toward its five percent yearly goal that portion of all Contracts in which the Contractor subcontracts with a Qualified Veteran-Owned Business. Each year, the CCD shall report to the County Board on all of the following for the immediately preceding 12-month period:

(1) The number of Qualified Veteran-Owned Businesses who submitted a Bid.

(2) The number of Qualified Veteran-Owned Businesses who entered into Contracts and the total value of those Contracts.

(3) Whether the County achieved the goal described in this subsection.

(4) Each year, the CCD shall review the five percent goal with input from countywide veterans' service organizations and from the business community including Qualified Veteran-Owned Businesses, and shall make recommendations to the County Board regarding continuation, increases, or decreases in the percentage goal. The recommendations shall be based upon the number of Qualified Veteran-Owned Business and on the continued need to encourage and promote businesses owned by qualified veterans.

(5) The provisions of this Division 6, Sec. 34-238(c) shall be effective as of July 1, 2013. The Contract Compliance Director shall by such date develop procedures for determining the availability of eligible veteran-owned businesses and shall report back to the County Board on the appropriateness of the five percent goal, based on such availability.

**Sec. 34-239. Qualified service-disabled veteran businesses incentive.**

(a) *Definitions.* For the purposes of this section the following terms are defined below:

*Service-Disabled Veteran* means an Eligible Veteran who became disabled in the line of duty while serving the United States Armed Forces, and who received an other than dishonorable discharge;

*Service-Disabled Veteran Business* means a Small Business (as defined in Division 8):

(1) Not less than 51 percent of which is owned by one or more Service-Disabled Veterans; and

(2) The management and daily business operations of which are controlled by one or more Service-Disabled Veterans or, in the case of an Eligible Veteran with permanent and severe disability, the spouse of such veteran.

(b) In addition to the goals established pursuant to Section 34-238, it is the goal of the County to award each year not less than three percent of its total expenditures for supplies, materials, equipment and services to qualified Service-Disabled Veteran-owned Businesses.

(c) The CPO will make best efforts to recruit and solicit bids and make procurements from qualified Service-Disabled Veteran-owned Businesses.

(d) The above-stated goal shall not be treated as a quota nor shall it be used to discriminate against any person or business enterprise on the basis of race, color, national origin, religion or sex.

(e) The provisions of this Division 6, Sec. 34-239 shall be effective as of July 1, 2013. The Contract Compliance Director shall by such date develop procedures for determining the availability of

Service-Disabled Veteran-owned businesses and shall report back to the County Board on the appropriateness of the three percent goal, based on such availability.

#### DIVISION 7. INTEGRITY IN THE PROCUREMENT PROCESS

##### **Sec. 34-250. Reporting irregularities.**

The Board encourages any Person, including employees, to report any suspected or known irregularities in the County's procurement process to the County Compliance Officer of the Office of the Cook County Inspector General. In addition to any applicable laws protecting whistleblowers, the County shall ensure that a report made in good faith will not result in any adverse action taken by the Board or the County against the Person making such a report. The CPO's procedures will include a mechanism to publish this provision to all appropriate Persons.

##### **Sec. 34-251. Communications.**

For all Procurements, the CPO shall establish procedures to ensure that communications from individuals outside the County regarding a Procurement shall be memorialized and maintained in the procurement file. Communications about a Procurement from or on behalf of an Elected Official or a Using Agency shall also be memorialized and maintained in the Procurement file.

#### DIVISION 8. MINORITY AND WOMAN-OWNED BUSINESS ENTERPRISES

##### *Subdivision I. General Provisions*

##### **Sec. 34-260. Short title.**

This subdivision shall be known and may be cited as the Cook County Minority- and Women-Owned Business Enterprise General Ordinance. This subdivision is applicable to all Contracts, including Public Works Contracts other than as modified pursuant to subdivision 2 of this Division 8.

##### **Sec. 34-261. Findings.**

(a) The County has heretofore adopted a Minority Business Enterprise Ordinance to ensure that minority and women's businesses are provided full and equal opportunity to participate in Contracts.

(b) The Supreme Court of the United States in *City of Richmond v. Croson*, 488 U.S. 469 (1989), has enunciated certain standards which are necessary to maintain effective affirmative action programs in compliance with constitutional requirements.

(c) The County is committed to implementing its affirmative action program in conformance with the United States Supreme Court's decision in *City of Richmond v. Croson*.

(d) In furtherance of this commitment, and at the direction of the Board, County staff and consultants conducted an investigation into the scope of any discrimination in County Procurements, and in the award of and participation in contracts in the metropolitan Chicago economy, the extent to which such discrimination or the effects thereof has denied and continues to deny minority and women's

business enterprises equal opportunity to participate in Procurements and to recommend the appropriate affirmative action steps to be taken to eliminate any such discrimination and its continuing effects.

(e) Minority and women's businesses continue to be awarded prime contracts and subcontracts in dollar amounts that are disproportionately lower than the availability of such businesses willing and able to perform Contracts.

(f) The County's procurement practices in the past have contributed to the above identified underutilization of minority and women's businesses on Contracts.

(g) Minority and women's businesses continue to be disadvantaged by discriminatory practices in the local construction industry and economy when competing for Contracts and in seeking subcontracting opportunities on such Contracts.

(h) The County was a passive participant in the discriminatory practices of businesses which discriminate against minority and women's businesses by entering into contracts with such businesses.

(i) Despite its good faith efforts and implementation of previous affirmative action programs, minority and women's businesses remain at a competitive disadvantage in competing for Contracts and subcontracts.

(j) Race and gender neutral measures or affirmative action programs without numerical goals have not and are not likely to eliminate the competitive disadvantage of minority and women's businesses in participating in Contracts due to discrimination in the local economy.

(k) The numerical goals for the participation of minority and women's businesses in Contracts are commensurate with the availability of minority and women's businesses willing and able to perform County work.

**Sec. 34-262 Policy and purpose.**

Based on the foregoing findings, the policy and purpose of this division are as follows:

(a) It is the public policy of the County to strive to achieve the full and equitable participation of minority and female owned businesses in the County's procurement process as both prime and subcontractors.

(b) The County is committed to a policy of preventing discrimination in making Procurements, and eliminating arbitrary barriers to participation in Procurements by all persons, regardless of race, sex, or ethnicity.

(c) The purpose of this division is to establish and implement goals for participation of PCEs in Procurements, in compliance with all applicable laws.

**Sec. 34-263. Definitions.**

The following words, terms and phrases, when used in this division, including both subdivision I and subdivision II, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. Capitalized terms not defined in this section are defined in Division 1 of this Procurement Code, or in Sec. 1-3 of the County Code. Additional terms applicable to subdivision II are set forth in such subdivision.

*Broker* means a Person who or which neither manufactures the supplies, equipment or goods supplied or owns or operates a store, warehouse or other establishment (and related distribution equipment) in which it maintains, consistent with industry standards, an inventory of the supplies, equipment or goods, materials or supplies required for performance of the Contract for sale in the normal course of business.

*Certified or Certification* means registration of the Minority Business Enterprises or Women's Business Enterprise status of a business in the County's Directory of Minority Business Enterprises, Women's Business Enterprises and Disadvantaged Business Enterprises ("PCE Directory").

*Commercially Useful Function* shall have the meaning set forth in subsection 34-383.

*Contract* means, for purposes of this Division 8, any Procurement or Contract in an amount exceeding \$25,000.00.

*Contract Specific Goals* means the goals established under Sec. 34-267 for a particular Public Works Contract, based upon the availability of MBEs or WBEs in the scopes of work of the Project.

*County Marketplace* means the Metropolitan Statistical Area for Chicago, as established by the Bureau of the Census, currently the counties of Cook, DuPage, Kane, Lake, Kendall and Will.

*Economically Disadvantaged* means an individual with a Personal Net Worth less than \$2,000,000 indexed annually for the Chicago Metro Area Consumer Price Index, published by the U.S. Department of Labor, Bureau of Labor Standards, beginning January 2011.

*Expertise* means demonstrated skills, knowledge or ability to perform, as defined by normal industry practices, including licensure where required, in a field.

*Good Faith Efforts* shall have the meaning set forth in Sec. 34-271.

*Joint Venture* means an association formed by two or more Persons to carry out a single business enterprise, for which purpose they combine their expertise, property, capital, efforts, and skills.

*Manufacturer* means a Person that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required for a Procurement and of the general character described by the specifications.

*Minority Business Enterprise* or *MBE* mean a Small Business, including a sole proprietorship, partnership, corporation, limited liability company, Joint Venture or any other business or professional entity:

(1) Which is at least 51 percent owned by one or more Minority Individuals, or in the case of a publicly owned business, at least 51 percent of all classes of the stock of which is owned by one or more Minority Individuals;

(2) Whose management, policies, major decisions and daily business operations are independently managed and Controlled by one or more such more Minority Individuals; and

(3) Which has its principal place of business and a majority of its regular, full time workforce located within the County's Marketplace.

*Minority Individual* means an individual in one of the following groups:

(1) African-Americans or Blacks, which includes persons having origins in any of the Black racial groups of Africa;

(2) Hispanic-Americans, which includes persons of Mexican, Puerto Rican, Cuban, Caribbean, Dominican, Central or South American, regardless of race;

(3) Native-Americans, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians; or

(4) Asian-Americans (persons whose origins are in any of the original peoples of the Far East, Southeast Asia, the islands of the Pacific or the Northern Marianas, or the Indian Subcontinent); or

(5) Other groups, including but not limited to Arab-Americans, found by the County to be socially disadvantaged by having suffered racial or ethnic prejudice or cultural bias within American society, without regard to individual qualities, resulting in decreased opportunities to compete in the County's Marketplace.

*Owned* means having all the customary incidents of ownership, including the right of disposition, and the sharing in all risks and profits commensurate with the degree of ownership interest.

*Personal Net Worth* means the net value of the assets of an individual after total liabilities are deducted. An individual's personal net worth does not include the individual's ownership interest in an applicant or other Certified MBE or WBE, provided that the other Person is certified by a governmental agency that meets the County's eligibility criteria or the individual's equity in his or her primary place or residence. As to assets held jointly with a spouse, an individual's Personal Net Worth includes only that individual's share of such assets. An individual's Personal Net Worth also includes the present value of the individual's interest in any vested pension plans, individual retirement accounts, or other retirement savings or investment programs less the tax and interest penalties that would be imposed if the asset were distributed at the present time.

*Program* means the Minority and Women Owned Businesses Enterprise Program established in this division, and shall include the Public Works Participation Program

*Program Goals* means the goals set forth in Sec. 34-267.

*Protected Class Enterprise* or *PCE* shall mean those Persons qualifying under the definitions of *Minority Business Enterprise* and *Women's Business Enterprise* contained in this section.

*Public Works Participation Program* means the program established pursuant subdivision II.

*Regular Dealer* means a Person that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character required for the Procurement are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. To be a Regular Dealer, the Person must be an established business that engages, as its principal business and under its own name, in the Procurement and sale or lease of the products in question. A Person may be a Regular Dealer in such bulk items as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business if the Person both owns and operates distribution equipment for the products. Any supplementing of such Person's distribution equipment shall be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis. Packagers, manufacturer representatives, or other Persons who arrange or expedite transactions are not Regular Dealers.

*Small Business* means a small business as defined by the U.S. Small Business Administration, pursuant to the business size standards found in 13 CFR Part 121, relevant to the scope(s) of work the Person seeks to perform on Contracts. A Person is not an eligible small business enterprise in any calendar fiscal year in which its gross receipts, averaged over the Person's previous five fiscal years, exceed the size standards of 13 CFR Part 121.

*Socially Disadvantaged* means an individual who has been subjected to racial, ethnic or gender prejudice or cultural bias within American society because of his or her identity as a member of a group and without regard to individual qualities. Social disadvantage must stem from circumstances beyond the individual's control. A Socially Disadvantaged individual must be a citizen or lawfully admitted permanent resident of the United States.

*Utilization Plan* means a plan for utilization of PCEs described in Sec. 34-383.

*Woman* means a person of the female gender.

*Woman-Owned Business Enterprise* or *WBE* means a Local Small Business, including a sole proprietorship, partnership, corporation, limited liability company, Joint Venture or any other business or professional entity:

(1) Which is at least 51 percent Owned by one or more Women, or in the case of a publicly owned business, at least 51 percent of all classes of the stock of which is Owned by one or more Women;

(2) Whose management, policies, major decisions and daily business operations are independently managed and Controlled by one or more such Women; and

(3) Which has its principal place of business and a majority of its regular, full time work force located within the County's Marketplace.

**Sec. 34-264. Race- and gender-neutral measures to implement the Program.**

The County shall use measures such as the following in implementing the Program.

(a) Establishing schedules for submitting Bids and Quotations with adequate time frames for identifying and contacting PCEs qualified to participate in the Procurement;

(b) Segmenting Procurements to facilitate the participation of MBEs, WBEs and other Small Businesses;

(c) Providing timely information on contracting procedures, Bid preparation and specific contracting opportunities;

(d) Holding pre-Bid conferences, where appropriate, to explain the projects and to encourage Contractors to use available qualified PCEs.

(e) Reviewing retainage, bonding and insurance requirements to eliminate unnecessary barriers to contracting with the County;

(f) Collecting information from all Contractors detailing the Bids or proposals received from all subcontractors for Procurements and the expenditures to PCEs;

(g) At the discretion of the CCD, in cooperation with the CPO, periodically entering into a procurement process without Program Goals or Project Specific Goals in order to determine MBE and WBE utilization in the absence of such goals;

(h) Referring complaints of discrimination to Cook County's Commission on Human Rights, or other appropriate authority, for investigation.

**Sec. 34-265. Program administration.**

(a) The Office of Contract Compliance, under the direction of the CCD, who shall report to the President, shall administer the Program. The duties of the CCD shall include:

(1) Formulating, proposing and implementing rules and regulations for the development, implementation and monitoring of the Program.

(2) Providing information and assistance to PCE's and Small Businesses relating to the Program, and .serve as a liaison to community, contractor, professional and supplier groups, and associations and organizations.

(3) Establishing uniform procedures and criteria for certifying, recertifying and decertifying Persons as PCEs, accepting certifications by other agencies, and maintaining a directory of Certified PCEs.

(4) Establishing Contract Specific Goals based upon the availability of PCEs 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 PCEs in Procurements.

(7) Reviewing, approving or rejecting Utilization Plans for achievement of Contract Specific Goals, and evaluate the extent to which goals were achieved.

(8) Monitor contracts to ensure compliance with Sec. 34-388, Prompt Payment of PCEs.

(9) Receiving, reviewing, and acting upon complaints and suggestions concerning the Program.

(10) Evaluate the effectiveness and utility of the Program.

(11) Monitoring the Program and the County's progress towards the Program Goals. The CCD shall report on a quarterly and annual basis to the President on the Program.

(12) The CCD shall report to the CCC, at its request, information regarding the administration of the Program and its progress toward achieving the Program Goals.

(b) Using Agencies shall cooperate with the CCD in the administration of the Program, specifically including assisting the CCD with setting Contract Specific Goals and assisting in the identification of available MBEs and WBEs.

**Sec. 34-266. Contract Compliance Committee.**

The Contract Compliance Committee ("CCC") shall be a Standing Committee of the Board, consisting of seven members of the Board selected as set forth in Chapter 2, Article III, Sec. 2-105 of the Code. The CCC shall review procedures, proposed modifications to the Program or this division 8, and complaints as referred by the CCD or the CPO.

**Sec. 34-267. Program goals.**

(a) The County aspires to the following annual Program Goals: A goal of twenty-five percent (25%) of the annual total dollar amount of Contracts other than Public Works Contracts to MBEs, and ten percent (10%) of the total dollar amount of such Contracts to WBEs.

(b) The CCD, in consultation with the CPO and the Using Agency shall establish Contract Specific Goals for each Contract. In establishing a Contract Specific Goal, the CCD shall consider the availability of sufficient Certified MBEs and WBEs for the supplies, materials and equipment or services required as part of the Procurement.

(c) No goal shall be treated as a quota nor shall it be used to discriminate against any Person on the basis of race, color, national origin, religion or sex.

**Sec. 34-268. Certification**

The CCD shall Certify only Persons that meet all the following criteria:

(a) The Person must be either an MBE or a WBE, or must establish that such Person has individually suffered bias such that his or her opportunities to form and operate a successful business have

been substantially diminished because of race, ethnicity, culture or disability. (b) The Person must be either an individual who is Socially and Economically Disadvantaged or 51 % Owned by one or more individuals who are Socially and Economically Disadvantaged.

(1) The Ownership by a Socially and Economically Disadvantaged Person must be real, substantial, and continuing, going beyond *pro forma* ownership of the Person as reflected in Ownership documents.

(2) The contributions to acquire the Ownership interest must be real and substantial. If Expertise is part of the contribution, the Expertise must be of the requisite quality generally recognized in a specialized field, necessary to the Person's potential success, specific to the type of work the Person performs and documented in the Person's records.

(b) The Person must be managed and Controlled by one or more Socially and Economically Disadvantaged individual.

(1) There must not be any formal or informal restrictions that limit the customary discretion of the Socially and Economically Disadvantaged individual(s). There can be no restrictions through corporate charter provisions, by-law provisions, contracts or any other formal or informal devices that prevent the Socially and Economically Disadvantaged individual(s), without the cooperation or vote of any non-Socially and Economically Disadvantaged individuals, from making any business decision of the Person, including the making of obligations or the dispersing of funds.

(2) The Socially and Economically Disadvantaged individual(s) must possess the power to direct or cause the direction of the management and policies of the Person and to make day-to-day as well as long-term decisions on management, policy, operations and work.

(3) The Socially and Economically Disadvantaged individual(s) may delegate various areas of the management or daily operations of the Person to individuals are not Socially and Economically Disadvantaged. Such delegations of authority must be revocable, and the Socially and Economically Disadvantaged individual(s) must retain the power to hire and fire any such Person. The Socially and Economically Disadvantaged individual(s) must actually exercise control over the Person's operations, work, management and policy.

(4) The Socially and Economically Disadvantaged individual(s) must have an overall understanding of, and managerial and technical competence, experience and Expertise, directly related to the Person's operations and work. The Socially and Economically Disadvantaged individual(s) must have the ability to intelligently and critically evaluate information presented by other participants in the Person's activities and to make independent decisions concerning the Person's daily operations, work, management, and policymaking.

(5) If federal, state or local laws, regulations or statutes require a particular license or other credential to own or Control a certain type of Person, then the Socially and Economically Disadvantaged individual(s) must possess the required license or credential.

(6) A Socially and Economically Disadvantaged owner cannot engage in outside employment or other business interests that conflict with the management of the Person or prevent the owner from devoting sufficient time and attention to manage and Control the Person's day to day activities.

(c) Only an independent Person may be certified as a MBE or WBE. An independent Person is one whose viability does not depend on its relationship with another Person. Recognition of an applicant as a separate entity for tax or corporate purposes is not necessarily sufficient to demonstrate that a Person is independent. In determining whether an applicant is an independent business, the CCD will:

(1) Scrutinize relationships with non-Certified Persons in such areas as personnel, facilities, equipment, financial and/or bonding support, and other resources.

(2) Consider whether present or recent employer/employee relationships between the Socially and Economically Disadvantaged owner(s) of the applicant and non-Certified Persons associated with non-Certified Firms compromise the applicant's independence.

(3) Examine the applicant's relationships with non-Certified Persons to determine whether a pattern of exclusive or primary dealings with non-Certified Persons compromises the applicant's independence.

(4) Consider the consistency of relationships between the applicant and non-Certified Persons with normal industry practice.

(d) The Person shall be Certified only for specific supplies, equipment, goods or services, or for types of work in which the Socially and Economically Disadvantaged owner(s) has the ability and Expertise to manage and Control the Person's operations and work.

(e) In lieu of conducting its own certifications, the CCD by rule may accept formal certifications by other entities as meeting the requirements of the Program, if the CCD determines that the certification standards of such entities are comparable to those set forth herein.

(f) The certification status of all MBEs and WBEs shall be reviewed periodically by the Office of Contract Compliance. Failure of the Person to seek recertification by filing the necessary documentation with the CCD as provided by rule may result in decertification.

(g) It is the responsibility of the Certified PCE to notify the CCD of any change in its circumstances affecting its continued eligibility for the Program. Failure to do so may result in the PCE's decertification.

(h) The CCD shall decertify a PCE that does not continuously meet the eligibility criteria.

(h) Decertification by another agency shall create a *prima facie* case for decertification by the County. The challenged PCE shall have the burden of proving that its County certification should be maintained.

(j) A Person that has been denied certification or recertification or has been decertified may protest the denial or decertification as provided by rule.

(k) A Person found to be ineligible may not apply for certification for six (6) months after the effective date of the final decision.

(l) A third party may challenge the eligibility of an applicant for Certification or a Certified PCE pursuant to procedures established by the CCD. Such challenges shall be signed and sworn by the

individual challenging the eligibility of an applicant for Certification or a Certified PCE. The burden of proof shall rest with the complainant. Such challenges to eligibility shall be subject to an appeal. The CCD shall be the final arbiter of all challenges. The presumption that the challenged PCE is eligible shall remain in effect until the CCD renders a final decision.

**Sec. 34-269. Utilization plan; commercially useful function.**

(a) *Utilization Plan required.* The CPO shall include in Contract Documents for Contracts covered by this Division, a requirement that a Utilization Plan be submitted which either: (i) commits to PCE participation equal to or greater than the applicable Program Goals or Contract Specific Goals, or (ii) requests a waiver of all or a portion of a Program Goal or Contract Specific Goal. The Utilization Plan shall be in such form and contain such information as is required by the CCD. Failure to include a Utilization Plan will render the submission not Responsive. The CCD shall review and either approve or reject the Utilization Plan. For purposes of evaluation a Utilization Plan, only PCEs which perform a Commercially Useful Function shall be considered.

(b) *Commercially Useful Function.* To be considered in meeting Goals, a PCE must perform a Commercially Useful Function, as determined pursuant to this subsection 34-269(b). "Commercially Useful Function" means the performance of a distinct element of work required for the Procurement, with the requisite skill and Expertise.

(1) In the case of a Procurement of goods or equipment, ordering from a manufacturer or distributor for delivery directly to the Using Agency is not a Commercially Useful Function; provided, however, that to the extent such practice is consistent with normal industry practices, a PCE subcontractor may enter into second tier subcontracts. However, if a PCE Contractor or subcontractor subcontracts a significantly greater portion of the work of the Contract than would be expected on the basis of normal industry practices, the PCE shall be presumed not to be performing a Commercially Useful Function.

(2) In the case of a Procurement of services, a Person which subcontracts with another Person to perform the services required does not perform a Commercially Useful Function unless such Person also performs significant supervisory or management responsibilities. A Broker does not fulfill a Commercially Useful Function. In the case of a Joint Venture partner, each Joint Venture partner must perform a Commercially Useful Function.

(c) PCE does not perform a Commercially Useful Function if its role is limited to that of an extra participant in the Contract through which funds are passed in order to obtain the appearance of PCE participation.

(d) When a PCE is presumed not to be performing a Commercially Useful Function, the Certified PCE and the Person seeking to include that PCE in its Utilization Plan, may present evidence to rebut this presumption.

(e) Once a Utilization Plan has been approved, the Contractor cannot make changes to the Utilization Plan, including substituting PCEs named in the Utilization Plan, without the prior written approval of the CCD, CPO and the Using Agency. The CCD shall promulgate procedures for changes to the Utilization Plan.

**Sec. 34-270. Methods to Achieve Goals and Compliance.**

A Person may achieve the applicable Contract Specific Goals in any one or more of the methods set forth below. The same PCE, whether as a contractor, subcontractor or supplier, cannot be utilized as both a MBE and a WBE on the same Contract.

(1) *PCE as prime Contractor.* An MBE or WBE may count its own participation toward the achievement of the applicable MBE or WBE goal. Such PCE will be required to meet the other goals by another method described herein. If a WBE is also a MBE, such WBE's participation may count toward either the MBE or WBE Goal but not both.

(2) *Joint Venture with one or more PCE.* Where a Person engages in a Joint Venture with one or more PCEs, the Utilization Plan shall include a written agreement at least the information set forth in subsection 34-384 (ii) 1 through 4 below. The CCD shall consider the following in determining whether the proposed Utilization Plan satisfies the Program Goals based upon such written Joint Venture agreement and the Utilization Plan.

- a. Each Joint Venture partner's initial capital investment;
- b. The extent to which the PCE's proposed participation in the performance of the Contract constitutes a Commercially Useful Function;
- c. Whether the PCE's share in the risks and profits of the Joint Venture is proportional to their ownership interest;
- d. Whether the PCE will have duties, responsibilities, management Control and risk with respect to the Joint Venture in proportion to its ownership interest;

(3) *Subcontracting.* A Person may achieve the Contract Specific Goals by means of subcontracting with, or purchasing from one or more PCEs.

**Sec. 34-271. Request for a total or partial waiver; Good Faith Efforts.**

(a) In reviewing a partial or total request for waiver of a Goal, the CCD shall determine whether a Person has made good faith efforts to meet the applicable Goals and to what extent the waiver request should be granted. In determining whether a Person has made Good faith efforts, the CCD will consider whether the Person has taken the following actions:

(1) Review lists of PCEs maintained by the County and other State and local governments and agencies to identify qualified PCEs for solicitation for Bids;

(2) Divide Procurement requirements into small tasks or quantities. This shall include, where appropriate, breaking out Contract work items into economically feasible units, consistent with the availability of PCEs, to facilitate PCE participation, even when the Contractor would otherwise prefer to perform these work items with its own forces.

(3) Adjust any insurance requirements imposed by the Person seeking PCEs, or otherwise assist PCEs in obtaining any required insurance, where economically feasible, to encourage participation by PCEs;

(4) Make timely attempts to contact PCEs providing the type of supplies, equipment, goods or services required for the Procurement; and provide them with a convenient and timely opportunity to obtain and review all information concerning the Procurement necessary to enable such PCE to respond;

(5) Follow up initial contacts of PCEs to determine if they are interested participating in the Procurement;

(6) Negotiate in good faith and on a timely basis with PCEs to enable them to participate in the Procurement. Evidence of such negotiation includes the names, addresses, and telephone numbers of PCEs that were contacted; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and why agreements could not be reached. The Contractor may not reject PCEs as being unqualified without sound reasons. That there may be some additional costs involved in finding and using PCEs is not in itself sufficient reason for a Contractor's failure to meet the Goals, as long as such costs are reasonable.

(7) Make efforts to assist interested PCEs in obtaining necessary equipment, supplies, materials, or related assistance or services, where appropriate; provided, however, that such efforts shall not be inconsistent with the requirement that the PCE be responsible for actually obtaining and paying for such items.

(8) Establish delivery schedules which will encourage participation by PCEs, where the requirements of the Procurement permit;

(9) Use the services and assistance of the CCD's staff, the Small Business Administration, the Office of Minority Business Enterprises of the U.S. Department of Commerce;

(10) Timely notify appropriate community and minority and women's business organizations identified as assist agencies of the opportunity for participation in the Procurement;

(11) Demonstrate to the CCD that no PCE exists with which a mentor/protégé relationship could be established, as described in Sec. 34-271.

(b) In determining whether a Bidder or Respondent has made Good Faith Efforts, the levels of participation by PCEs set forth in Utilization Plans submitted by other Persons for the same Procurement may be considered. For example, if the apparent successful Bidder or Respondent fails to meet the Contract Specific Goals, but meets or exceeds the average PCE participation obtained by other Bidders or Respondents, this may be evidence that the apparent successful Bidder or Respondent made Good Faith Efforts.

(c) Where the County requires professional services, the County must be able to call upon those professionals whose particular training and experience are most beneficial to the County.

(1) The County sets an annual "best efforts" goal of 35 percent PCE participation for the total professional services and consulting services utilized by the County.

(2) A Utilization Plan shall be required, and if a waiver or partial waiver is requested, "good faith" efforts shall be demonstrated as set forth in Sec. 34-271; provided, however, that such Persons shall not be required to attempt to subcontract with PCEs if sub-contractors would not typically be utilized for

the type of Procurement. In such cases, the Person shall document the reasons for not sub-contracting in a waiver request.

(3) The Contractor will endeavor to maximize use of PCEs for supplies, equipment, goods or services for such Contractor's business operations not specifically for the Procurement.

(4) If such Persons is required to have or has an affirmative action plan and goals, such plan and goals shall be submitted with their Utilization Plan. The CCD shall compare such plan and goals with the Person's actual affirmative action achievements and such achievements may be considered by the County in future Procurements.

(d) *Mentor/protege agreements.* Where a Contractor enters into mentor/protege agreement with a PCE to improve or develop certain aspects of the business of the PCE, the CCD shall evaluate the effect of such agreement as a factor in determining good faith efforts. The mentor/protege agreement may provide for the Contractor to assist the PCE in such areas as technical aspects of the PCE's business, improving financial management, or providing on-the-job training. To constitute good faith efforts, the mentor/protégé agreement shall satisfy the following requirements.

(1) The PCE performs a Commercially Useful Function;

(2) The agreement shall be included in the Utilization Plan; and

(3) The agreement clearly defines the respective responsibilities of the Contractor and the PCE and includes specific, measurable goals to be attained by both parties through the performance of the agreement. In order to be a factor in establishing best efforts, the mentor/protégé agreement must be for a reasonable period of time.

(e) The CCD may grant a total or partial waiver based upon the following criteria:

(1) There are not sufficient PCEs capable of providing the supplies, equipment, goods or services required for the Procurement;

(2) The Procurement cannot reasonably be divided;

(3) The price required by potential PCEs is more than ten percent above competitive levels; and

(4) Any other factor relating to good faith efforts as set forth in the Person's Utilization Plan.

#### **Sec. 34-272. Calculating PCE participation.**

In calculating a PCE's participation, only dollar amounts commensurate with a PCE's performance of a Commercially Useful Function may be counted.

(a) The dollar value of that portion of a Procurement that is performed by the PCEs' own forces shall be counted, including the cost of supplies, materials and equipment furnished by the PCE for the Procurement, whether purchased or leased (except to the extent purchased or leased from the Contractor or the Contractor's Affiliate).

(b) The dollar amount of fees or commissions charged by a PCE for providing a bona fide service, such as professional, technical, consultant, managerial, insurance brokerage or surety services, shall be counted, provided the fee is reasonable and not excessive as compared with fees customarily charged for similar services.

(c) When a PCE is a Joint Venture partner, only the dollar value of the distinct, clearly defined work performed by the PCE with its own forces, shall be counted.

(d) Only the dollar value must be commensurate with the work the PCE actually performs.

(e) One hundred percent (100%) of the cost of the supplies, equipment or goods obtained from a PCE Manufacturer or Regular Dealer shall be counted.

(f) One hundred percent of the fees or transportation charges for the delivery of supplies, equipment, materials or goods shall be counted only if the payment of such fees is a customary industry practice and such fees are commensurate with fees customarily charged for similar services.

(g) If a PCE ceases to be Certified during its performance on a Procurement, the dollar value of work performed under a Contract with that Person after it has ceased to be Certified shall not be counted.

(h) Only the dollar amount actually paid to the PCE shall be counted toward the participation of a PCE.

**Sec. 34-273. Review of contract performance.**

(a) *Compliance with Utilization Plan.* The CCD shall review the Contractor's compliance with its Utilization Plan as necessary during the performance of the Contract. The CCD may establish such requirements for periodic Contractor reporting on compliance with its Utilization Plan as the CCD determines appropriate and necessary. A Contractor shall be required to provide any additional requested compliance documentation within 14 days of request by the CCD.

(1) If the CCD determines that the Contractor has failed to comply with its Utilization Plan, the CCD shall notify the CPO of such failure. The CPO shall then send notice of default to the Contractor, and the Contractor shall have such time to cure the default as is provided in the Contract. If no such period is provided, the Contractor shall have ten days to cure such default. For purposes of this Section, providing a plan for bringing the Contract into compliance with the Utilization Plan may constitute a cure, if compliance cannot reasonably be achieved within the applicable cure period, and if compliance is achieved in accordance with such plan.

(2) If a Contractor fails to provide any documentation required by the CCD, the CCD shall notify the CPO of such failure. The CPO shall then send notice of default to the Contractor, and the Contractor shall have such time to cure the default as is provided in the Contract. If no such period is provided, the Contractor shall have ten days to cure such default.

(b) *Bid and target market programs.* To address more specifically the barriers to PCE participation as prime Contractors in County work, the CCD may recommend to the CPO to institute the following special PCE bidding provisions, following determination of the appropriateness of such provisions.

(1) In connection with the award of a Contract subject to competitive bidding on which a PCE has bid and where the PCE is bidding on the item in question for the first time; and has never successfully bid on a Cook County purchasing contract, the Contract Compliance Director may, at the opening of the bids on the item, compare the PCE Bid with the lowest Bid, and, if the PCE's Bid is closely competitive as defined by guidelines to be established by the Contract Compliance Director with that of lowest actual Bids, direct the CPO to declare the PCE the successful Bidder. A PCE may use this procedure only once to become the successful Bidder on any particular item. Thereafter, the PCE must be totally competitive in terms of price to be the successful Bidder.

(2) The Contract Compliance Director shall develop and coordinate a target market program as follows:

a. The Contract Compliance Director shall review the availability of PCEs providing various goods and services and shall identify for inclusion in a potential program for bidding among PCE Persons certain commodity areas with sufficient PCE availability to ensure that the County receives a competitive price. The Contract Compliance Director shall report his/her findings and recommendations to the Contract Compliance Committee;

b. Upon a determination by the CCD that such a program is advisable for any particular commodity procurement, the Contract Compliance Director will institute the following procedures:

1. The Contract Compliance Director will notify the CPO of identification of those commodity codes appropriate for a target market program;

2. To the extent practicable, the CPO, with the aid of the Contract Compliance Director, shall divide procurement in the designated commodity areas into economically feasible sizes to facilitate Bids or offers from PCEs and shall designate contracts to be offered under the target market program;

3. The CPO shall offer PCEs the opportunity to bid on such contracts in a limited competition;

4. All standard County rules for bidding will then become effective and, provided that at least three PCEs Bid or make an offer on the contract, the lowest Responsive and Responsible Bidder among the PCEs will receive the contract;

5. In the event less than three PCEs Bid or make an offer on the Contract or if there is no Responsive Bid or offer received from a Responsible PCE, the CPO shall rebid the Contract not subject to the target market program.

c. Participation in the target market program shall be limited to Minority Business Enterprises, Women's Business Enterprises and Joint Ventures consisting exclusively of Minority Business Enterprises, Women's Business Enterprises or both. The PCE Contractor on a target market Contract may subcontract up to 49 percent of the dollar value of the target market Contract to subcontractors who are not Minority Business Enterprises or Women's Business Enterprises.

**Sec. 34-274. Prompt payment of PCEs.**

If an invoice from a Contractor includes payment for supplies, equipment, goods or services furnished by a PCE, Contractor shall pay such PCE for such supplies, equipment, goods or services within thirty (30) days after receipt of payment from the County. The CCD shall investigate any complaint or charge of excessive delay in payment, and shall report the results of such investigations to the Contract Compliance Committee and to the County Comptroller. Failure of Contractor to comply with this Sec. 34-388 shall constitute a material breach of the Contract.

**Sec. 34-275. Reporting and review.**

The CCD shall report to the Board on an annual basis with respect to the following:

(1)The percentage of the total dollar amount of Procurements for such year actually received by PCEs;

(2)The number of MBEs and WBEs available for participation in Procurements, by category;

(3)An evaluation of the effectiveness of this division in ensuring equitable participation by PCEs in Procurements;

(4)An assessment of the continuing need for the Program;

(5)Identification of any enforcement problems; and

(6)Any recommendations with respect to modifying or improving the Program, including discontinuing or modifying Program Goals in those cases where Minority Business Enterprises and Women's Business Enterprises no longer are disadvantaged by the effects of discrimination in their participation in Procurements.

**Sec. 34-276. Prohibited provisions.**

Any agreement between a Contractor and a MBE or WBE in which the Contractor requires that the MBE or WBE not provide subcontracting quotations to other Contractors is prohibited.

*Subdivision II.Participation in Cook County Public Works Contracts*

**Sec. 34-285. Short title; incorporation of provisions.**

This subdivision may be known and cited as the Cook County Public Works Minority- and Women-Owned Business Enterprise Ordinance. The provisions of the Cook County Minority- and Women-Owned business Enterprise General Ordinance are applicable to Public Works Contracts, except to the extent modified hereby.

**Sec. 34-286. Findings.**

(a) The findings set forth in subdivision I Sec. 34-261 of this division 8 are incorporated herein by this reference.

(b) The requirement in subdivision I that minority- and women-owned businesses (M/WBEs) be allotted certain percentages of County construction contracts was ruled unconstitutional as applied to construction contracts in *Builders Association of Greater Chicago v. County of Cook*, 256 F.3d 642 (7th Cir. 2001). See also *Builders Association of Greater Chicago v. City of Chicago*, 2003 WL 1786489, 2003 U.S. Dist. Lexis 23287 (N.D. Ill. 2003).

(c) The President and the Board of Commissioners of the County of Cook, after considering (i) evidence presented at trial in *Builders Association of Greater Chicago v. City of Chicago*, 298 F.Supp.2d 725 (N.D. Ill. 2003) and *Northern Contracting, Inc. v. Illinois Department of Transportation*, 2005 U.S. Dist. LEXIS 19868 (N.D. Ill. Sept. 8, 2005); (ii) County statistical evidence of continuing discrimination against Blacks, Hispanics, Asians and women in the County's Procurements; (iii) the Report title, "Review of Compelling Evidence of Discrimination Against Minority- and Women-Owned Business Enterprise in the Chicago Area Construction Industry and Recommendations for Narrowly Tailored Remedies for Cook County, Illinois;" as well as (iv) anecdotal evidence of discrimination against minorities and women in the County's Public Works Contracts; and (v) receiving and considering written reports, adopts the following findings as a strong basis in evidence supporting a narrowly tailored, remedial affirmative action program in Public Works Contracts.

(d) The County seeks to provide a level playing field and equal access for all prime contractors and subcontractors to participate in Public Works Contracts;

(e) The County has engaged in committee hearings in which the County has heard anecdotal evidence of discrimination in the construction industry, has commissioned a study on the levels of PCE participation in Public Works Contracts, has reviewed the report prepared indicating evidence of discrimination in Public Works Contracts and has considered the evidence in relevant case law; and

(f) In the absence of application of the Program to Public Works Contracts, the County has witnessed a drastic decline in PCE in its Public Works Contracts, to levels below the availability of PCEs, and thus, the County would be a passive participant in a discriminatory marketplace without the application of PCE goals.

#### **Sec. 34-287 Policy.**

Based on the findings set forth in subdivision I, Sec. 34-261 and the findings set forth in subdivision II, Sec. 34-286, and in addition to the policy set forth at Sec. 34-262, the policy and purpose of this subdivision is to establish and implement goals for participation of PCEs in Public Works Contracts, in accordance with all applicable laws.

#### **Sec. 34-288. Program goals.**

The Program Goal applicable to Public Works Contracts shall be a goal of twenty-four percent (24%) of the annual total dollar amount of Public Works Contracts to MBEs and a goal of not less than ten percent (10%) of the annual total dollar amount of Public Works Contracts to WBEs. In establishing a

Contract Specific Goal for Public Works Contracts, the CCD shall consider the availability of sufficient Certified MBEs and WBEs for each trade required as part of the project.

**Sec. 34.-289. Commercially useful function.**

To determine whether a PCE is performing a Commercially Useful Function, the County will evaluate whether the portion of the work subcontracted to or by a PCE is in accordance with industry standards. For example, if a PCE subcontracts a greater portion of the work of a Contract than would be expected based on normal industry practice, it is presumed not to perform a Commercially Useful Function. In addition, to perform a Commercially Useful Function, the PCE must be responsible, with respect to materials, equipment and supplies used in performing its portion of the Contract, for negotiating price, determining whether quality meets specifications, ordering the material, installing (where applicable) and paying for the material itself.

**DIVISION 9. CONTRACT MANAGEMENT**

**Sec. 34-300. Contracts**

(a) *Purpose.* The purpose of this Division is to ensure that Contracts in an amount of \$1,000,000.00 or more are performed in accordance with the Contract terms.

(b) *Applicability.* This Division shall only apply to Contracts of \$1,000,000.00 or more.

(c) *Funding.* The extent to which this division shall be implemented shall be limited to the availability of funding. The Board encourages the County to seek out any available grant funding for this initiative.

**Sec. 34-301. Information to be contained in eContracts**

All Contracts over \$1,000,000.00 should contain, but not be limited to, the following information, as applicable:

(a) Clearly state the specifications, contract period, allowable renewals or extension periods, and procedures for amendments or changes;

(b) Provide for specific measurable deliverables and reporting requirements, including due dates;

(c) Describe any payment schedules and escalation factors;

(d) Contain performance standards;

(e) Tie payments to the acceptance of deliverables or the final product;

(f) Contain all standard or required clauses as published in an RFP. Order of precedence should be addressed in case of a discrepancy between the RFP and the Contract;

(g) Contain appropriate signatures, approvals, acknowledgements, or witnesses; and

(h) Be reviewed and approved as to form by an attorney from the Cook County State's Attorney's Office prior to execution.

**Sec. 34-302. Contract management for Contracts.**

(a) Using Agency responsibilities are as follows:

(1) Designate one or more individuals as the "Contract Manager" with the knowledge, skills, ability and time to monitor the Contract;

(2) The CPO may provide staff to assist the Using Agency in complying with this division.

(b) Contract Manager's duties:

(1) Monitor performance of the Contract in accordance with its terms;

(2) Track budgets and compare invoices and charges to contract terms and conditions;

(3) Document the timeliness and acceptance or rejection of deliverables and initiate appropriate action to enforce the Contract terms; and

(4) Evaluate and document compliance with Contract requirements on a periodic basis during the term of the Contract and submit to the CPO.

(c) CPO's duties:

(1) Create uniform evaluation forms for use by Contract Managers, to evaluate the extent to which the Contractor satisfied the Contract terms;

(2) Establish appropriate procedures to ensure that evaluations are utilized in determining whether a Bidder or Proposer is Responsible; provided, however, that evaluations made only within the past three years shall be considered;

(3) Assist Using Agencies in obtaining training through the National Contract Managers Association, Institute of Supply Management or National Institute of Government Purchasing standards, for Contract Managers.

**Sec. 34-303. ~~Effective date.~~**

~~— This Division shall be effective one year after adoption.~~

**DIVISION 10. INVOICES FOR SERVICES RENDERED**

**Sec. 34-310. Invoices required for all service Contracts.**

(a) Work Performed. All Contracts for services, regardless of compensation structure, shall contain a provision requiring the Contractor to submit itemized records indicating the dates that services were provided, a detailed description of the work performed, and the amount of time spent performing work.

(b) Expenses. Contracts for services shall also require Contractors to submit documentation of the types and amounts of expenses incurred related to the work performed if the Contractor uses County funds to pay for any such expenses or seeks reimbursement for any such expenses incurred.

(c) Payment. All Contracts for services shall further require that the itemized work and expense records be submitted with the Contractor's invoice as a condition of payment for any services rendered.

**Sec. 34-311. No payment prior to submission of invoice.**

The Comptroller shall not issue a payment to any Contractor providing services who has not submitted the requisite invoice with work and expense records unless the Contractor has been approved for advance payment by the CPO. Contractors approved for advance payment shall be required to submit invoices providing work and expense records as described above in Section 34-310 on at least a monthly basis.

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER GARCIA, MOVED TO DEFER THE PROPOSED COMPREHENSIVE RESTATEMENT OF THE COOK COUNTY PROCUREMENT CODE (COMMUNICATION NO. 313644), AS AMENDED BY SUBSTITUTION. THE MOTION CARRIED.**

313645      **AN ORDINANCE PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS OF THE COUNTY OF COOK, ILLINOIS (PROPOSED ORDINANCE).** Submitting a Proposed Ordinance sponsored by Toni Preckwinkle, President, Co-sponsored by Jerry Butler, John P. Daley, Jesus G. Garcia, and Robert B. Steele, County Commissioners.

The following is a synopsis of the Proposed Ordinance:

**An Ordinance providing for the issuance of one or more series of General Obligation Bonds of The County of Cook, Illinois.**

**Sponsored by**

**THE HONORABLE TONI PRECKWINKLE PRESIDENT OF THE COOK COUNTY BOARD OF COMMISSIONERS**

**Co-sponsored by**

**THE HONORABLE JERRY BUTLER, JOHN P. DALEY, JESUS G. GARCIA and ROBERT B. STEELE**

**\*Referred to the Finance Committee on 7-12-11.**

The proposed ordinance authorizing the issuance of General Obligation Bonds is available for viewing or download at the following website:

**<http://legacy.cookcountygov.com/secretary>**

COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER MURPHY, MOVED THAT THE PROPOSED ORDINANCE PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS (COMMUNICATION NO. 313645) BE APPROVED. COMMISSIONER SIMS CALLED FOR A ROLL CALL, THE VOTE OF YEAS AND NAYS BEING AS FOLLOWS:

ROLL CALL ON MOTION TO APPROVE  
COMMUNICATION NO. 313645

Yeas: Chairman Daley, Vice Chairman Sims, Commissioners Butler, Collins, Gainer, Garcia, Gorman, Goslin, Murphy, Reyes, Silvestri, Suffredin and Tobolski (13)

Nays: Commissioners Fritchey and Schneider (2)

Absent: Commissioners Beavers and Steele (2)

THE MOTION CARRIED AND THE PROPOSED ORDINANCE PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS (COMMUNICATION NO. 313645) WAS APPROVED AND ADOPTED. CHAIRMAN DALEY VOTED PRESENT ON THE INCLUSION OF MESIROW FINANCIAL AS CO-MANAGER.

313646 **ILLINOIS HOUSING AUTHORITY (IHDA) (PROPOSED CONTRACT AMENDMENT).** Transmitting a Communication dated June 23, 2011 from Timothy C. Evans, Chief Judge, Circuit Court of Cook County, sponsored by Bridget Gainer, County Commissioner:

requesting authorization for Cook County to increase by \$1,650,250.00 and extend for eleven (11) months and two (2) weeks, the interagency agreement with the Illinois Housing Development Authority (IHDA), Chicago, Illinois, for the management of housing counseling services for the court's Mortgage Foreclosure Mediation Program.

Board approved amount 03-02-10:	\$1,500,000.00
Previous increase approved 03-01-11:	500,000.00
This increase requested:	<u>\$1,650,250.00</u>
Adjusted amount:	\$3,650,250.00

Reason: Under this proposed extension, Illinois Housing Development Authority (IHDA) will implement changes to the program developed by the court in consultation with members of the Cook County Board of Commissioners, community outreach groups, housing counseling agencies, legal aid offices, and housing policy and advocate groups. These changes will include establishing housing counseling workshops in neighborhoods throughout Cook County and switching to a fee-for-service arrangement to compensate housing counseling agencies. These modifications will enable the program to accommodate and assist more residents facing foreclosure and ensure the highest quality control of housing counseling services provided in the most economically efficient manner. As of May 31, 2011, there were 75,112 mortgage foreclosures pending in the Circuit Court of Cook County. This extension will provide the time necessary to fully evaluate the program modification IHDA was originally selected to manage the program's

housing counseling services for a limited period early in March 2010. In November 2010, a Request for Proposals (RFP) process was completed. IHDA was the only respondent to the RFP.

Estimated Fiscal Impact: \$1,650,250.00 Contract extension: August 1, 2011 through July 31, 2012

**\*Referred to the Finance Committee on 7/12/11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER GARCIA, MOVED APPROVAL OF COMMUNICATION NO. 313646. THE MOTION CARRIED.**

313647 **CHICAGO COMMUNITY TRUST (PROPOSED CONTRACT AMENDMENT).**  
Transmitting a Communication dated June 23, 2011 from Timothy C. Evans, Chief Judge, Circuit Court of Cook County, sponsored by Bridget Gainer, County Commissioner:

requesting authorization for the Purchasing Agent to increase by \$632,500.00 and extend for eleven (11) months and two (2) weeks, Contract No. 10-41-40 with the Chicago Community Trust, Chicago, Illinois, to provide community outreach services for the court's Mortgage Foreclosure Mediation Program.

Board approved amount 03-02-10:	\$ 250,000.00
Previous increase approved 12-14-10:	125,000.00
Previous increase approved 03-01-11:	167,000.00
This increase requested:	<u>\$ 632,500.00</u>
Adjusted amount:	\$1,174,500.00

Reason: Under this proposed extension, the Chicago Community Trust will implement changes to the program developed by the court in consultation with members of the Cook County Board of Commissioners, community outreach groups, housing counseling agencies, legal aid offices, and housing policy and advocate groups. These changes will include, in addition to maintaining face-to-face community outreach, developing, printing, and distributing an informational brochure for residents facing foreclosure. The brochure will consist of a process map to help residents understand each step in the foreclosure and mediation process. The brochure will also provide a map of the court facilities to help ensure that residents reach the correct location for assistance. The Chicago Community Trust will also develop a poster for distribution and education about the Program. These modifications will ensure that all program service providers are working with uniform and user-friendly materials and bring consistency to communications within the program and among all service providers. This consistency in communications will further enable the program to accommodate and assist more residents facing foreclosure and ensure the highest quality services being provided in the most economically efficient manner. As of May 31, 2011, there were 75,112 mortgage foreclosures pending in the Circuit Court of Cook County. This extension will provide the time necessary to fully evaluate the program modification. The Chicago Community Trust was originally selected to manage the program's community outreach services for a limited period early in March 2010. In October 2010, a Request for Proposals (RFP) process was completed. The Chicago

Community Trust submitted the only responsive proposal to the RFP.

Estimated Fiscal Impact: \$632,500.00. Contract extension: August 1, 2011 through July 31, 2012.

**\*Referred to the Finance Committee on 7/12/11.**

**COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER GARCIA, MOVED APPROVAL OF COMMUNICATION NO. 313647. THE MOTION CARRIED.**

313648 **CHICAGO BAR FOUNDATION (PROPOSED CONTRACT AMENDMENT).**  
Transmitting a Communication dated June 23, 2011 from Timothy C. Evans, Chief Judge, Circuit Court of Cook County, sponsored by Bridget Gainer, County Commissioner:

requesting authorization for the Purchasing Agent to increase by \$1,223,807.00 and extend for eleven (11) months and two (2) weeks, Contract No. 10-41-33 with the Chicago Bar Foundation, Chicago, Illinois, to provide legal aid and mediation services for the court's Mortgage Foreclosure Mediation Program.

Board approved amount 03-02-10:	\$600,713.00
Previous increase approved 10-05-10:	120,595.00
Previous increase approved 12-14-10:	241,185.00
Previous increase approved 03-01-11:	321,580.00
This increase requested:	<u>\$1,223,807.00</u>
Adjusted amount:	\$2,507,880.00

Reason: Under this proposed extension, the Chicago Bar Foundation will implement changes to the program developed by the court in consultation with members of the Cook County Board of Commissioners, community outreach groups, housing counseling agencies, legal aid offices, and housing policy and advocate groups. These changes will include adding additional staff attorneys, support staff, and mediators to increase capacity and to improve communications among the Program service providers as well as ensuring timely services provided to the litigants. These modifications will enable the Program to accommodate and assist more residents facing foreclosure and ensure the highest quality control of legal aid and mediation services provided in the most economically efficient manner. An increased capacity will also enable the Court and the Program service providers to complete the mediation process in a timely manner. As of May 31, 2011, there were 75,112 mortgage foreclosures pending in the Circuit Court of Cook County. This extension will provide the time necessary to fully evaluate the program modification. The Chicago Bar Foundation was originally selected to manage the Program's legal aid and mediation services for a limited period early in March 2010. In November 2010, a Request for Proposals (RFP) process was completed. The Chicago Bar Foundation was the only respondent to the RFP.

Estimated Fiscal Impact: \$1,223,807.00.  
Contract extension: August 1, 2011 through July 31, 2012.

**\*Referred to the Finance Committee on 7/12/11.**

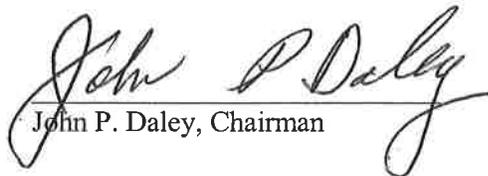
COMMISSIONER SUFFREDIN, SECONDED BY COMMISSIONER GARCIA, MOVED APPROVAL OF COMMUNICATION NO. 313648. THE MOTION CARRIED.

VICE CHAIRMAN SIMS, SECONDED BY COMMISSIONER REYES, MOVED TO ADJOURN. THE MOTION CARRIED AND THE MEETING WAS ADJOURNED.

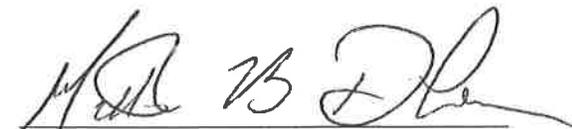
**YOUR COMMITTEE RECOMMENDS THE FOLLOWING ACTION  
WITH REGARD TO THE MATTERS NAMED HEREIN:**

Communication Number 312117	Deferred
Communication Number 312118	Deferred
Communication Number 313155	Receive & File
Communication Number 313634	Deferred
Communication Number 313635	Deferred
Communication Number 313636	Deferred
Communication Number 313637	Deferred
Communication Number 313638	Deferred
Communication Number 313639	Deferred
Communication Number 313640	Deferred
Communication Number 313641	Deferred
Communication Number 313643	Approved
Communication Number 313644	Approved as Amended
Communication Number 313645	Approved
Communication Number 313646	Approved
Communication Number 313647	Approved
Communication Number 313648	Approved

Respectfully submitted,  
Committee on Finance Committee

  
John P. Daley, Chairman

Attest:

  
Matthew B. DeLeon, Secretary

The transcript for this meeting is available in the Office of the Secretary to the Board, 118 North Clark Street, Room 436, Chicago, IL 60602, and also on the following website:  
<http://legacy.cookcountygov.com/secretary>

COOK COUNTY HEALTH AND HOSPITALS SYSTEM  
10-YEAR HISTORY OF APPROPRIATIONS AND EXPENDITURES  
FISCAL YEARS 2000 - 2011

Category	2000	2001	2002	2003	2004	2005*	2006	2007	2008**	2009	2010	2011***	Total
<b>Appropriations:</b>													
Capital Improvements	\$ 94,075,000	\$ 5,240,000	\$ 32,250,000	\$ 80,600,000	\$ 23,600,000	\$ -	\$ (500,000)	\$ 8,452,000	\$ 51,761,000	\$ 65,436,329	\$ 91,360,955	\$ 43,472,457	\$ 495,747,741
Capital Equipment	\$ 27,801,000	\$ 26,138,240	\$ 18,153,456	\$ 17,645,117	\$ -	\$ -	\$ 6,933,809	\$ 14,036,782	\$ 30,348,056	\$ 27,791,754	\$ 31,108,380	\$ -	\$ 199,956,594
Appropriations Total	\$ 121,876,000	\$ 31,378,240	\$ 50,403,456	\$ 98,245,117	\$ 23,600,000	\$ -	\$ 6,433,809	\$ 22,488,782	\$ 82,109,056	\$ 93,228,083	\$ 122,469,335	\$ 43,472,457	\$ 695,704,335
<b>Expenditures Paid:</b>													
Capital Improvements	\$ 145,336,911	\$ 110,093,670	\$ 131,621,005	\$ 30,677,990	\$ 7,117,426	\$ 3,967,084	\$ 18,014,853	\$ 13,423,122	\$ 17,262,497	\$ 3,436,841	\$ 7,443,769	\$ 93,476,780	\$ 581,871,947
Capital Equipment	\$ 13,483,707	\$ 11,455,761	\$ 20,415,647	\$ 12,853,518	\$ 15,087,348	\$ 7,294,344	\$ 7,841,175	\$ 6,977,968	\$ 8,313,893	\$ 11,135,468	\$ 4,500,898	\$ 13,534,805	\$ 132,894,531
Expenditures Total	\$ 158,820,618	\$ 121,549,431	\$ 152,036,653	\$ 43,531,508	\$ 22,204,774	\$ 11,261,428	\$ 25,856,027	\$ 20,401,090	\$ 25,576,390	\$ 14,572,309	\$ 11,944,666	\$ 107,011,585	\$ 714,766,478

\* No appropriation approved in 2005

\*\*No bonds were issued to cover these appropriations



STATE OF ILLINOIS  
CIRCUIT COURT OF COOK COUNTY  
CHIEF JUDGE TIMOTHY C. EVANS

# MORTGAGE FORECLOSURE MEDIATION PROGRAM

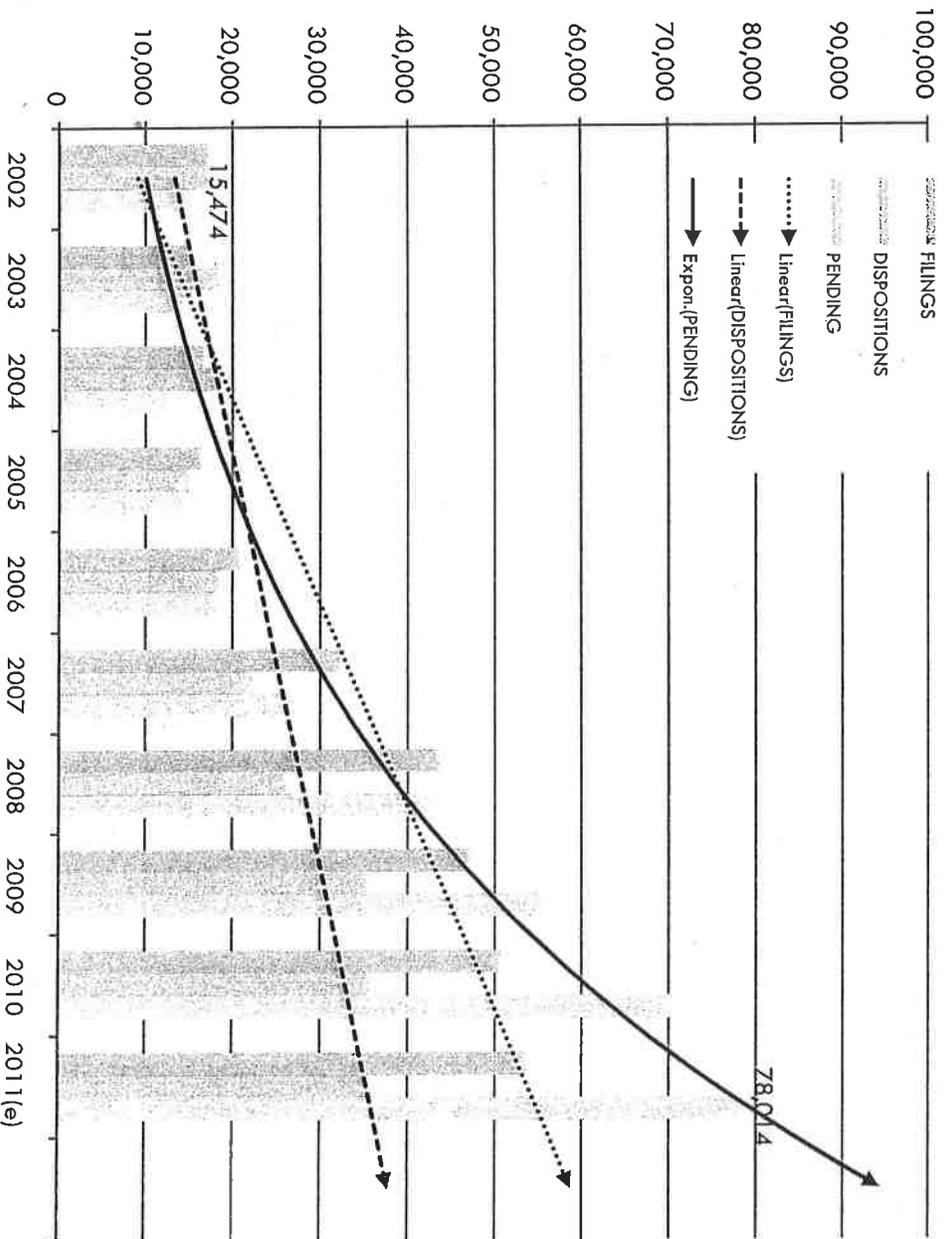


CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM

# FORECLOSURES CONTINUE TO INCREASE IN COOK COUNTY

YEAR	FILINGS	DISPOSITIONS	PENDING
2002	17,382	17,377	15,474
2003	15,616	18,567	14,249
2004	16,637	18,647	12,489
2005	16,497	15,152	14,442
2006	20,761	18,635	18,401
2007	32,269	22,293	26,936
2008	43,773	26,251	42,920
2009	47,049	35,410	55,340
2010	50,621	35,670	70,550
2011*	53,731*	35,282*	78,014*

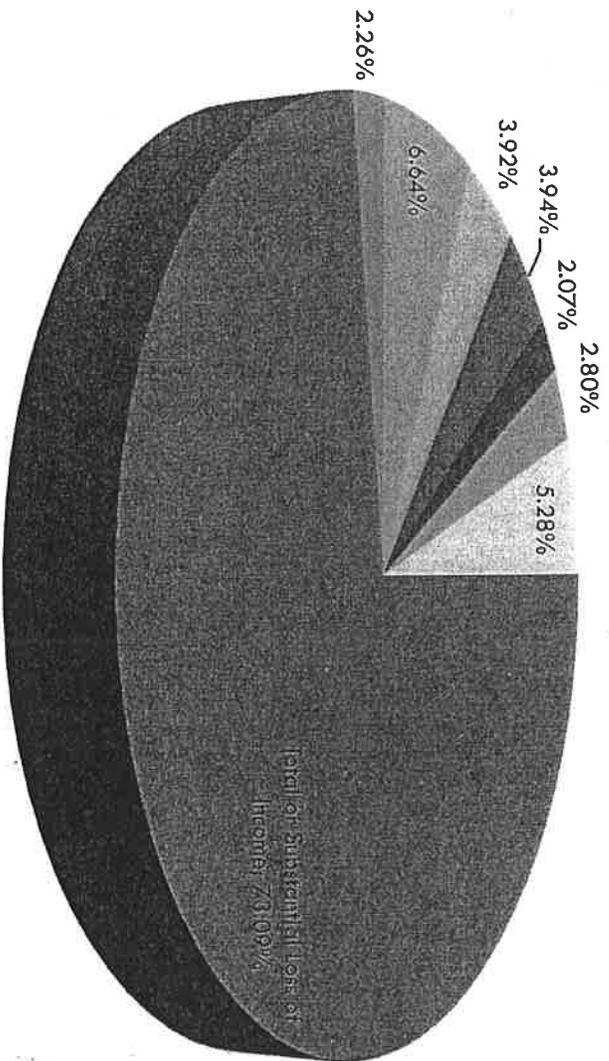
\*Estimated year end based on figures from 1/1/11 through 6/30/11. As of June 30, 2011, there were 75,521 mortgage foreclosure cases pending and 26,681 new cases had been filed since January 1, 2011.





CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM

# REASONS FOR FORECLOSURES IN COOK COUNTY



- Total or Substantial Loss of Income
- Poor Budgeting
- Medical Reasons/Expenses
- Increase in expenses
- Divorce/Separation
- Death in the Family
- Increase in Loan Payment
- Other

\* Data for this chart comes directly from the HUD-certified housing counseling agencies providing services for the Circuit Court of Cook County Mediation Program. The agencies are required to report certain information to NeighborWorks America, the organization appointed by Congress to manage the National Foreclosure Mitigation Counseling (NFMC) Program. In addition to reporting this information to NeighborWorks America, the housing counseling agencies report NFMC information on the Mediation Program to the Illinois Housing Development Authority and the Circuit Court of Cook County. This data represents reasons for default indicated by Mediation Program participants who have completed housing counseling through the Mediation Program.



CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM

## **SERVICES PROVIDED TO HOMEOWNERS**

(Includes current services and proposed enhancements)

- ✓ **Door-to-door outreach focused on hardest-hit communities**
- ✓ **Face-to-face community events**
- ✓ **Website**
- ✓ **Uniform process brochure and map of courthouse (proposed enhancement)**
- ✓ **Hotline**
- ✓ **Internet form to request appointments**
- ✓ **Resource referrals for veterans, renters, homeowners not in foreclosure**
- ✓ **Free housing counseling by HUD-certified agencies**
- ✓ **Community workshops for housing counseling (proposed enhancement)**
- ✓ **Free legal aid before court and over the phone**
- ✓ **In-court facilitators (proposed enhancement)**
- ✓ **Free mediators (minimum 2 sessions scheduled for all cases)**
- ✓ **Free legal representation at mediation sessions**
- ✓ **Free legal representation at post-mediation status hearings**
- ✓ **Services provided at minimum in Spanish, English and Polish**



CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM

WHO ARE WE HELPING?

---

- ✓ 31% Hispanic/Latino; 30% African-American; 27% White; 12% Other
- ✓ \$44,000 average household income
- ✓ 48 years old (average)
- ✓ 39% married with dependents; 25% single without dependents; 16% single with dependents; 20% other



CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM

# OUR MEDIATION PROGRAM COMPARED TO OTHERS

Service/Resource Provided	Cook County, IL	Philadelphia, PA	Ohio (Franklin County)	Connecticut (State)	Will County, IL
Hotline	✓	✓	✓	✓	
Internet Form to Request Services	✓		✓	✓	
Door-to-Door Outreach	✓	✓			
Community Events	✓	✓	✓		
Brochures/Materials	✓	✓	✓	✓	✓
Housing Counseling – At Court	✓				
Housing Counseling – In the Community	✓		✓		
Housing Counseling – Workshops in the Community	✓				
Legal Aid Lawyers – By Appointment	✓				
Legal Aid Lawyers – Walk-in appointments	✓	✓			
In-Court Facilitators	✓	✓			
Mediations – At No Cost to Parties (Free)	✓		✓	✓	
Legal Aid Lawyers at the Mediation Sessions	✓				
Legal Aid Lawyers During Follow-Up Court Hearings	✓				
Total Foreclosures	75,521*	8,000**	9,000**	27,000**	11,000**
Budget/Funding	\$3.5MM	\$2.8MM*	\$2.7MM*	\$2.0MM*	Will County charges \$150/case

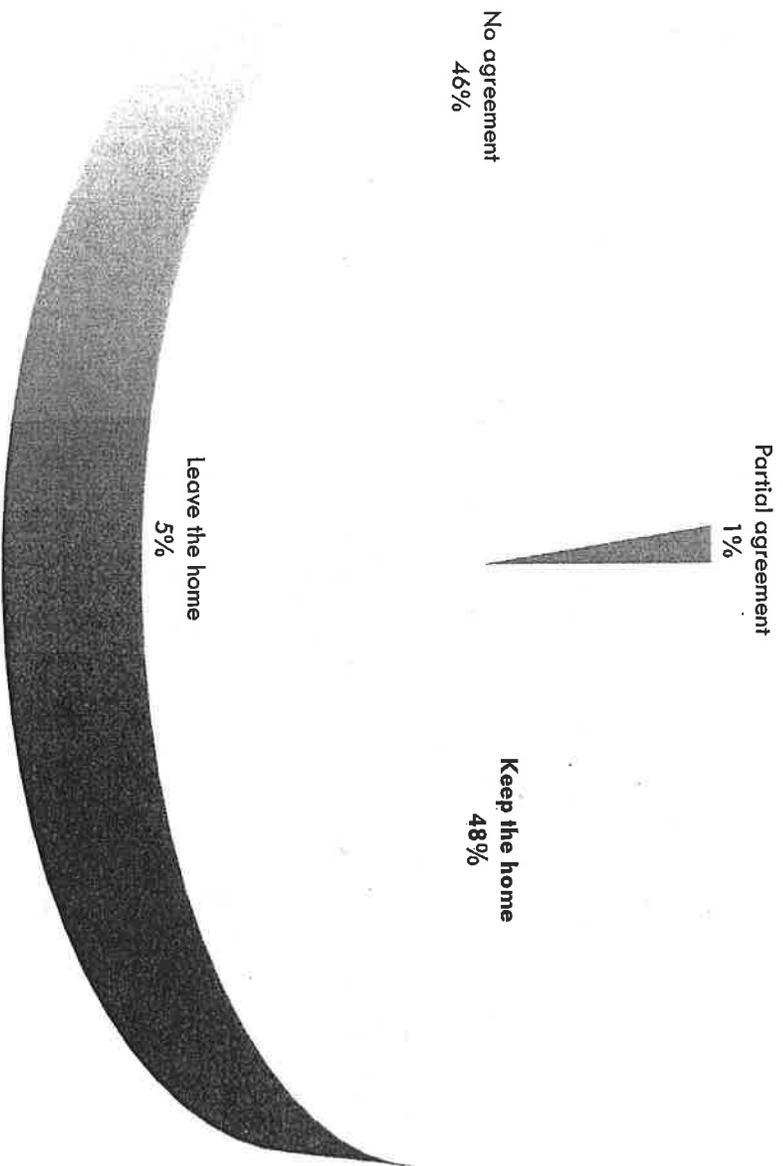
\* Only approximately 51,000 cases are potentially eligible for the mediation program.

\*\* Estimates based on previously issued information and reports by the respective programs.



CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM

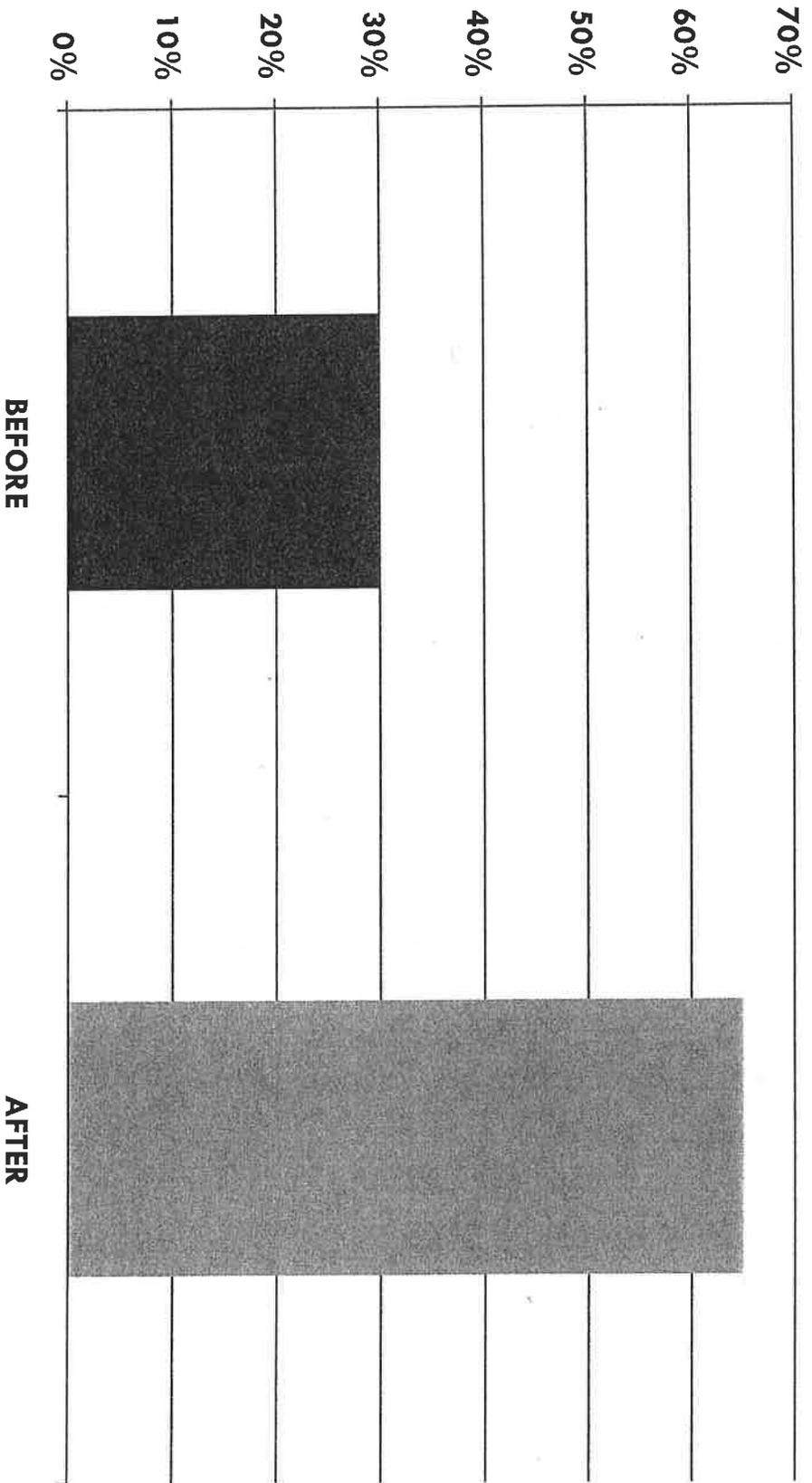
PROGRAM RESULTS - FOR 736 COMPLETED CASES





CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM

# MORE HOMEOWNERS ARE NOW COMING TO COURT





CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM

## SERVICES PROVIDED TO DATE

### Outreach - \$19 per home visit

- 15,299 property sites visited
- 28,419 visits made to those property sites with 5,355 homeowners contacted with visits
- 8,244 mailings and 90 community events (with 3,022 participants)
- 1,661 renters and 1,460 vacant properties identified

### Hotline - \$3 per phone call

- 45,087 calls + 1,482 internet requests = 46,569 total requests for appointments and information

### Housing Counseling - \$62 per session

- 23,322 housing counseling sessions completed

### Pre-Court Legal Aid - \$15 per case

- 31,712 homeowners provided free legal advice

### Mediation - \$153 per session completed

- 2,371 orders to mediation; 3,100 sessions scheduled; 1,119 sessions held; 479 sets of outcomes

### Legal Aid at Mediation and In Court - \$12 per hour

- 2,026 legal aid appointments by court order for representation at mediation; 435 cases with completed legal aid services



## COST COMPARISON: PROGRAM VS. FORECLOSURE COSTS

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\$1,100  
Proposed  
Foreclosure  
Resolution

**Is Less  
Than**

\$3,300  
Foreclosure  
Prevention\*

**Is Less  
Than**

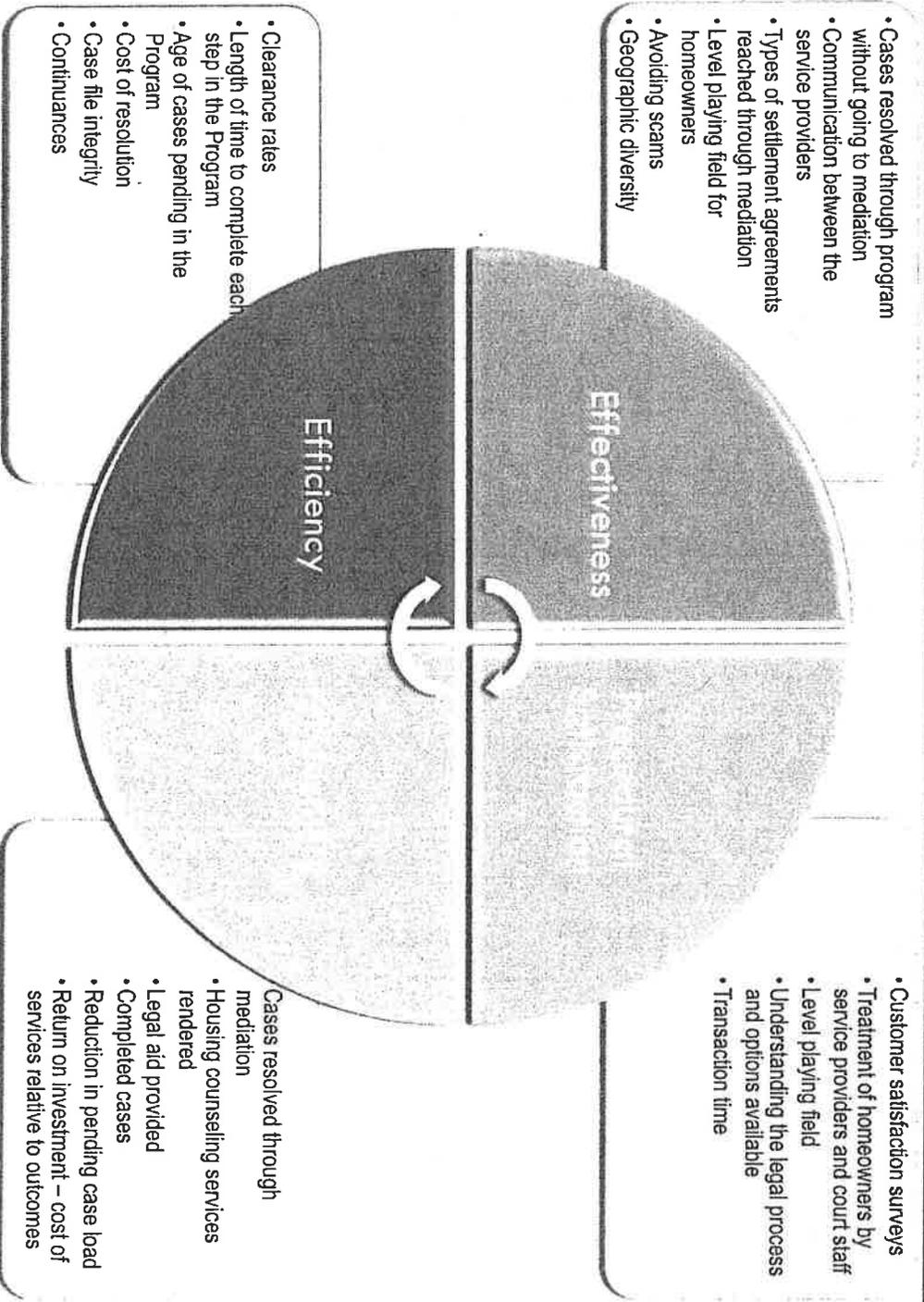
\$77,395  
Average  
Foreclosure  
Cost\*

\* Special Report from the Joint Economic Committee of United States Congress, *Sheltering Neighborhoods from Subprime Foreclosure Storm*, Sen. Charles E. Schumer (Apr. 11, 2007).



CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM

# PERFORMANCE MAPPING



Performance mapping structure from the National Center for State Courts.

**CIRCUIT COURT OF COOK COUNTY  
MORTGAGE FORECLOSURE MEDIATION PROGRAM  
Performance Measures**

<b>Performance Evaluation Measure</b>	<b>Current Volume (Annual)</b>
<b>Overall Program Performance:</b>	
Program participants	90,000 (est.)
Cases completing mediation program	736
Homes retained by agreement	354 (48%)
Success rate of mediations (any agreement reached)	402 (54%)
Participant satisfaction (at each service point): all parties, attorneys, and court employees	92%-95% (CLC & CCR only)
Program costs	\$3,500,000
Completion time - filing date to disposition date	not yet available
Case clearance rate (dispositions/filings)	66%
Pending case load (dispositions/pending)	45%
<b>The Chicago Bar Foundation (Legal Aid &amp; Mediation):</b>	
Resolutions without having to go to mediation (CVLS)	60 resolutions
Homeowners provided legal advice (Chicago Legal Clinic)	29,178 homeowners
Court-ordered appointments for representation at mediation (CVLS)	2,026 appointments
Court-ordered appointments for mediation (CCR)	2,137 appointments
Mediations scheduled (CCR)	3,100 mediations
Mediations held (CCR)	1,119 mediations
Time to complete mediations (CCR)	2.5 hours/case
Average sessions needed to complete mediation (CCR)	1.7 sessions
Cases returned to mediation by subsequent court order (CCR & CVLS)	1,110 cases
Time between entry of order and first mediation session	8 months (est.)
Cancelled mediations	Not yet available
<b>The Chicago Community Trust (Outreach):</b>	
Participants learning of the program through CCT contact	10% (est.)
Visits made	28,419 visits
Properties (unique) visited	15,299 properties
Visits per home	1.9 visits
Homeowners contacted through visitation	5,355 homeowners
Confirmed appointments known to outreach agencies	2,440 appointments
Community events	90 events
Homeowners attending community events	3,022 homeowners
Mailings	8,224 mailings
Renters identified and given appropriate resources	1,661 renters
Vacant units identified	1,460 vacant units
<b>Illinois Housing Development Authority (Hotline &amp; Housing Counseling):</b>	
Resolutions through housing counseling without mediation	165 resolutions
Hotline calls received	42,420 calls
People referred to other sources during hotline call (e.g., veterans/military assistance, renters legal assistance, housing counseling referrals for pre-foreclosure assistance, alternative housing assistance, etc.)	28,000 (est.) people
Hotline hours available (8:30 A.M. to 6:00 P.M. Mon-Fri)	47.5 hours/week
Callbacks due to unavailable operators	not yet available
Housing counseling appointments scheduled	10,581 scheduled appointments
Housing counseling sessions completed	20,633 sessions
Time per session	1 hour
Hours provided by housing counselors per case	2.2 hours/case
Number of community workshops held	not yet available
Attendance at community housing counseling workshops	not yet available
Length of time per call	5 minutes (est. average)



## Helping Customers Stay in Their Homes Whenever Possible

- At Chase we do everything possible to help our customers stay in their homes. We do this by providing loan counseling in person and over the phone. We have helped borrowers avoid foreclosure twice as often as we have foreclosed. When foreclosure is necessary, we proceed thoughtfully with respect for affected homeowners, fairness to their neighbors, and a sense of responsibility for the housing market and economy at large.
- For the second consecutive year Chase hosted a four-day Homeownership Assistance event for struggling homeowners. This year's event was held at the Hyatt Regency O'Hare on March 18-21. Capitalizing on best practices from the Navy Pier event in May 2010, we mailed invitations to thousands of customers in the Chicago area and followed up with at least three phone calls ensuring customers were informed of the event. Individuals were encouraged to make an appointment with one of our modification experts available from 8 a.m. to 8 p.m. As always, customers who couldn't attend were able to call one of our Chase Homeownership Centers, call the dedicated customer hotline – (866) 550-5705 – or visit [www.chase.com/myhome](http://www.chase.com/myhome).
- Chase has three Homeownership Centers in the Chicago area so struggling homeowners may discuss their situation face to face with specially trained loan counselors in seeking modification or other assistance. The offices are open six days a week, and counselors have met with a total of more than 6,500 borrowers at:
  - 4730 W. 79<sup>th</sup> St., Chicago, (773) 284-5854.
  - 5813 N. Milwaukee Ave., Chicago, (773) 594-7670
  - 1836 N. Broadway, Melrose Park, (708) 450-3702
  - 10 South Dearborn Street, 39<sup>th</sup> Floor, Chicago, 312-325-6003
- Through a \$250,000 grant, Chase -- in collaboration with Neighborhood Housing Services (NHS) and Chicago's Home Ownership Preservation Initiative (HOPI) --helped fund the 311 helpline providing counselors to assist distressed citizens facing possible foreclosure.
- The partnership with NHS of Chicago has resulted in continuing support for the HOPI program as well as the creation of a new "Hot Spot" program that conducts research to determine the areas most in need of assistance (Austin, Gage Park/Chicago Lawn and Roseland). It then proactively allocates resources such as increased marketing and outreach to address those community needs via direct services and collaborations with local affordable housing partners.
- Chase donated \$50,000 each to the Spanish Coalition for Housing and Latino United Community Housing Association to support foreclosure prevention/intervention programs.
- Chase donated \$400,000 to the Mercy Housing Lakefront/Cara Program joint venture (Cleanslate Property Services). Chronically unemployed individuals are being trained in property preservation and restoration in order to assist with the rehab of foreclosed properties. Participants also receive job readiness and life skills training.
- Chase donated \$250,000 to support LISC Chicago's Centers for Working Families. Our funding supports the one-on-one case management that is provided to families and individuals in need. Clients receive full financial counseling services that include debt management, credit counseling, and foreclosure prevention assistance.
- Chase has begun a program to substantially discount or donate foreclosed homes to community groups or through non-profit/government programs to help stabilize communities. In Chicago, we are working with Mercy Housing and the Chicago Housing Authority.



# We're here to help.

Chase and EMC customers, the mortgage help you need is right here in Chicago.

When you are facing foreclosure, it's easy to feel as if your choices are limited, but you do have options. At your local Chase Homeownership Center, you can receive a face-to-face consultation with a Loan Advisor, who will work with you to find a solution that can help keep you in your home.

## Chicago Chase Homeownership Center Locations

### Melrose Park

1836 North Broadway  
2nd Floor  
Melrose Park, IL 60160  
708-450-3702

### Chicago/North

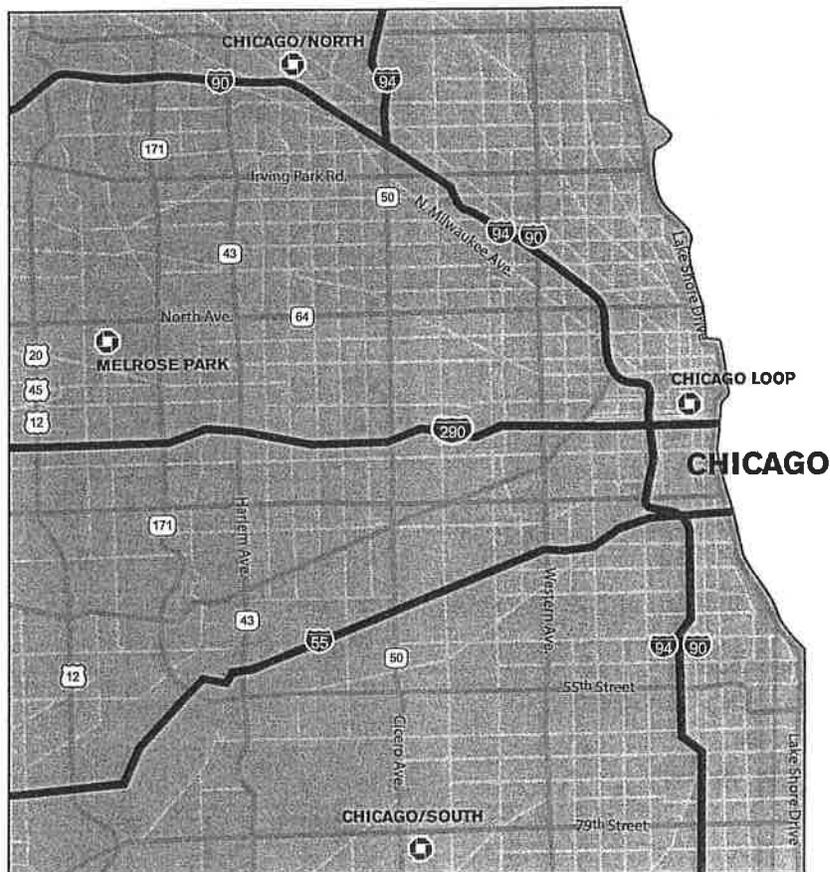
5813 North Milwaukee Ave  
2nd Floor  
Chicago, IL 60646  
773-594-7670

### Chicago/South

4730 West 79th Street  
Chicago, IL 60652  
773-284-5854

### Chicago Loop

10 South Dearborn Street  
39th Floor  
Chicago, IL 60603  
312-325-6003



You still have options, but don't wait any longer. Contact us today:

Call or stop by the Center near you

Or visit [chase.com/HomeownershipCenters](http://chase.com/HomeownershipCenters)



## CHASE: AN OVERVIEW OF PROPERTY PRESERVATION INTERVENTIONS

### Disciplined Program for Property Preservation:

- When a first mortgage loan is delinquent for 45 days – or a home equity loan is delinquent for 70 days – a property inspection is automatically ordered by Chase's tracking system and conducted every 30 days as long as the borrower remains delinquent.
- Chase maintains regional accountability by having a local Field Officer in Chicago to address concerns with any properties.
- Chase uses nationally respected property inspection and preservation companies to conduct the monthly inspections and perform necessary maintenance/repairs.
- If the inspector determines that a property is not occupied, the preservation company changes the locks to secure the property. Nearly 90 percent of Chase-ordered inspections confirm that the property is occupied.
- Once a property becomes vacant, it is secured according to HUD guidelines and to meet existing Chicago code requirements of covering/boarding windows and doors.
  - Grass cuts are done biweekly.
  - Properties are kept free of hazardous debris.
  - Electricity is kept on only if a sump pump is present.
  - Water is shut off and plumbing is winterized (HUD Guidelines).
  - The home is boarded up if the first floor is accessible.
- Signs are posted on all properties secured by Chase, including contact information.
- Chase has created the High Risk Department, a SWAT team to handle any violation issues.
  - Rush inspections are ordered within 24 hours of receiving a code violation.
  - Any properties with a severe violation are put on a weekly inspection list.
  - Weekly inspections are conducted until the violation is resolved.
  - The High Risk Department has a specific email account: [High.Risk.Violations@Chase.com](mailto:High.Risk.Violations@Chase.com).
- Once foreclosure has been completed, Chase moves the property into its Real Estate-Owned, or REO portfolio.
- Realtors, property preservation vendors and closing agents are hired. Clean up, lawn maintenance, and biweekly inspections continue until the property is sold.
- Once listed for sale, the average property sells in less than four months.
- Activity on each property is reviewed every 20 to 30 days to determine if a price adjustment is warranted.
- The preservation company handles code violations during the REO process.

### Key local Chase contacts:

- Eric Flexer, Illinois Property Preservation Specialist, 312-336-2425
- Dan Sprehe, Executive Director, Civic Engagement & Government Relations 312-732-5856
- Amy Brennan, Vice President of Government Relations 312-732-7981

THE WAY FORWARD > > >  
JPMORGAN CHASE & CO.



## STANDING BY CHICAGO SINCE 1863.

With roots stretching back to 1863 and the First National Bank of Chicago, JPMorgan Chase and its predecessors have helped build Chicago—from landmarks like Millennium Park to the lives of Chicagoans. Today, our world-class city faces a new generation of challenges. JPMorgan Chase and the JPMorgan Chase Foundation are helping to provide solutions. Here are just a few:

**We help others do good.** Since 2005, we've awarded \$60 million in grants to Chicago nonprofit organizations, including \$10 million this year alone.

**We help schools stay strong and safe.** Over the past five years, we've donated nearly \$16 million to education in Chicago, including state-of-the-art security cameras for Chicago high schools.

**We help to create and maintain jobs in Chicago.** Since the start of 2010, we've committed \$459 million in new loans to small businesses.

**We champion the arts.** Besides helping to build the Modern Wing of the Art Institute of Chicago, we've partnered with museums, theater groups, and other cultural institutions to provide arts education in schools and promote community engagement.

**We help people to afford homes—and keep them.** Since January 2009, we've committed and raised over \$170 million for affordable housing. We've also provided face-to-face counseling to more than 4,500 struggling homeowners at our Chase Homeownership Centers in the Chicago area.

JPMorgan Chase is a responsible lender, a major employer, a civic leader, and a trusted bank. With more than 15,000 employees, 350 branches, and 1,500 ATMs in the Greater Chicago area, we're here for Chicago and its people.

To learn more about JPMorgan Chase and The Way Forward, visit [jpmorganchase.com](http://jpmorganchase.com)

**Bank of America**



Patricia M. Holden  
SVP- State & Local Lobbyist  
Bank of America  
135 S. LaSalle Street  
IL4-135-03-62  
Chicago, IL 60603  
[Patricia.holden@bankofamerica.com](mailto:Patricia.holden@bankofamerica.com)

July 25, 2011

The Honorable Bridget Gainer  
Cook County Commissioner  
118 N. Clark Street, Room 567  
Chicago, Illinois 60602

Dear Commissioner Gainer:

Thank you for the opportunity to come before you today to discuss Bank of America's efforts related to foreclosures, property preservation and community revitalization. As one of the nation's largest home lenders, we understand how essential recovery in the housing market is to move the U.S. economy forward. We continue to exhaust every appropriate option to help customers who want to remain in their home to avoid foreclosure, and we offer foreclosure alternatives to customers who are unable to qualify for modifications. Since January 2008 we have completed more than 873,000 loan modifications, and more than 210,000 short sales and deeds in lieu.

In addition to relocation assistance, we are committed to supporting a dignified transition through tools and resources including the *Home Transition Guide*. The guide, developed in partnership with the United Way, helps customers better understand alternatives to foreclosure and make the best decisions for their situation, including finding a new place to live; managing through the transition; and rebuilding credit.

We are engaged in an aggressive face-to-face outreach campaign. Since January 2010, we've held more than 650 outreach events, and in 2011 we plan to participate in more than 400 events (with 40 of those hosted by Bank of America). We're also tripling the number of our Customer Assistance Centers to 45 in states hardest hit by unemployment and foreclosures. These centers provide customers an opportunity to meet face-to-face with our home retention specialists. **See attachment for additional information about our efforts.**

For military customers, the bank continues to strengthen its support by recently introducing a new principal forgiveness loan modification program for servicemembers who are leaving active duty and are behind on their mortgage payments. We are also going above and beyond the guidelines of the Servicemembers Civil Relief Act (SCRA) to reduce eligible borrower's mortgage interest rate to 4% while they are on active duty and for 12 months after. To ensure our military customers receive the specialized assistance they need, we have established a dedicated mortgage servicing team exclusively for servicemembers. The team has associates

with training to handle SCRA-related questions, and will be able to offer assistance on our full range of mortgage options, including loan modifications.

It is important to note that Bank of America is not proceeding with foreclosure sales for customers who may be eligible for a modification under HAMP or our other modification programs and with whom we have been able to establish contact. Those holds remain in place during the time that it takes us to evaluate the borrower and through the trial modification period.

We have expanded our default servicing staff to more than 30,000 employees dedicated to helping customers experiencing difficulty with their home loans – that represents a 200 percent staffing increase since January 2009. Beginning in August, every customer who requires default servicing assistance will be assigned to a single point of contact. Customers will be able to work with a primary contact throughout the entire loan modification and foreclosure alternative process. This will ensure options are clearly understood and the right solution for a customer's financial situation is efficiently pursued.

In March of this year, we opened a Customer Assistance Center at 540 W. Madison Street here in Chicago. While customers can come to the center for appointments, associates are also available to come to our banking centers and not for profits for appointments. We are trying to make the process of talking to us as convenient as possible. In addition, the Bank of America website has <http://homeloanhelp.bankofamerica.com/en/index.html> provides helpful information about the options available to homeowners who are facing financial hardships. Customers can also check on the progress of their modification application, check for upcoming homeowner events in their area and locations of our Customer Assistance Centers. The site is also available in Spanish.

Bank of America remains committed to a comprehensive strategy to help revitalize communities that have been hard hit by the recession and foreclosures. This strategy includes three focus areas: home retention, housing transition, and neighborhood stabilization.

We are implementing innovative ways to address vacant properties in foreclosure, REO inventory and contribute to neighborhood stabilization through property donations, rehabilitation, and support.

In May, Bank of America announced it was taking several actions in a Memorandum of Understanding with the city of Chicago to alleviate the impact of vacant properties on surrounding neighborhoods and the community at large. Provisions of the MOU include: Bank of America sending all vacant properties whose owners are delinquent on their mortgages to the Cook County Fast Track Foreclosure Court Call for Vacant Buildings, the donation low value of the vacant foreclosed properties once the foreclosure has been completed by Bank of America to nonprofit organizations for reuse, redevelopment and neighborhood revitalization; the demolition or deconstruction of 150 properties that we have completed a foreclosure on because they have no usefulness, and we will also donate 26 condominiums to the Community Investment Corp. (CIC), for the Troubled Condo Initiative where properties in a building are reassembled back into affordable apartments.

We recently announced a similar program in Cleveland, and earlier in the year undertook an initiative in Detroit. We are currently collaborating with other cities to develop comparable programs.

Foreclosure property security and maintenance are a top priority for Bank of America, and we are committed to a comprehensive program that ensures the highest quality preservation

services. We conduct routine site visits to evaluate property conditions and address any issues. We established a 24/7 hotline for code violations or any escalated property issues. We also reduced response time following a complaint from four days to one hour. BAC Field Services conducts occupancy checks on properties where the owner is 45 days late on the mortgage. Results of these checks show that approximately 20% of the owners have already abandoned their property.

We distribute to all 50 alderman and other elected officials upon request, a list of all vacant properties Bank of America is servicing in the city of Chicago. The list includes properties both in our REO portfolio and in foreclosure. We also developed a partnership with ten Chicago Police Department Problem Properties Officers and with the non-profit Operation Cleanslate, which serves as a local preservation contractor. Per our earlier discussions, we are assembling a similar list of vacant properties for Cook County and will be forwarding to you as soon as it is assembled.

In addition, we have been meeting on a monthly basis with the city of Chicago to review current practices, properties slated for demolition, and for gifting to non-profits. We also make recommendations for special projects like the Safe Passage Initiative, where Bank of America partnered with the city to ensure safe passage to and from school for children in 13 areas of the city that are known for heavy gang presence and drug activity.

Bank of America has taken the lead in finding creative solutions to ensure the safety and well-being of the communities in which it services residential real estate property, while also respecting the rights of individual homeowners protected by the Illinois foreclosure statutes. We believe Cook County Fast Track Foreclosure Court pilot program is a critical component to the successful management of vacant properties. We will also take the additional step of filing a motion for a "Mortgagee in Possession" to give Bank of America receivership status on the property so we are able to secure the property completely as it proceeds through the fast track court. The fast track court ensures that the homeowner's rights and opportunity to defend the foreclosure are protected as well. We commend Chief Judge Evans for the establishment of the separate court call for vacant properties in foreclosure. We would like to ask you and the Board of Commissioners to support the efforts of the new Fast Track Court call.

Many homeowners facing hardship have walked away from their homes, leaving behind vacant and deteriorating properties that can cause neighborhood blight. We believe that our MOU and property preservation efforts are making a significant difference in addressing the growing issue of abandoned properties. We also continue to look for ways to engage our customers earlier hoping that we can convince them not to leave their homes.

Again, thank you for the opportunity to highlight Bank of America's efforts. Please let me know if I can answer any questions.

Sincerely,

*Pat Holden*

Patricia M. Holden  
Senior Vice President State and Local Lobbyist

Attachment

**Retention Efforts**

- **Total Results:** Bank of America has completed more than 873,000 modifications through all available programs (including HAMP) since January 2008; and more than 22,000 in May.
- **Proprietary Modifications:** The bank is providing alternatives for homeowners who are not eligible for HAMP or have fallen out of the program. More than 621,000 borrowers since January 2008 have received proprietary modifications to their first mortgage; more than 101,000 have received proprietary second-lien modifications.
- **HAMP Modifications:** Bank of America leads all servicers with more than 138,300 permanent HAMP modifications completed since the program began; and more than 10,000 in May.
- **Second Liens:** Bank of America was the first servicer to agree to participate in and implement the government's second lien modification program (2MP). Since program inception, we have completed more than 12,700 second lien modifications through 2MP.

Modifications Completed	2008-2011		
	2011 May	2011 To Date	Program Totals
Home Affordable Modification Program (HAMP)	10,746	36,696	138,300
Proprietary First Lien Modifications	9,448	54,232	621,198
Second Lien Modification Program (2MP)	1,478	11,749	12,315
Proprietary Second Lien Modifications	428	3,290	101,301
<b>Total Modifications Completed</b>	<b>22,100</b>	<b>105,967</b>	<b>873,114</b>

**Customer Outreach**

- **Community outreach/events:** Since January 2009 through June 2011, Bank of America participated in more than 750 events meeting with about 100,000 customers. From January 2011 through June 2011, Bank of America conducted single-servicer events in 14 cities with more than 14,000 customers in attendance.
- **Customer Assistance Centers (CACs):** In June, Bank of America opened 23 new Customer Assistance Centers, and is in the process of opening another five, bringing the total to 40 in 22 states this summer, to provide distressed homeowners with face-to-face counseling and assistance. We have assisted more than 8,000 customers this year.

**Alternatives to Foreclosure**

- **Short sale and deed-in-lieu:** Bank of America is the leading provider of foreclosure avoidance solutions to customers who fell out of or did not qualify for HAMP modifications; more than 8,400 in May and more than 43,000 to date in 2011. We completed 95,000 short sales and deeds in lieu in 2010, more than twice the number in 2009.
- **Relocation Assistance:** To date, the bank has invested almost \$130 million to assist those who must transition from their home due to a short sale or foreclosure. Customers or tenants are offered assistance for rental deposits for new housing and moving expenses.

	2008-2011		
	2011 May	2011 to date	program totals
Short Sales Completed	8,439	43,348	200,846
Deeds-in-Lieu Completed	915	2,699	10,427
<b>Total for Foreclosure Avoidance</b>	<b>9,354</b>	<b>46,047</b>	<b>211,273</b>
<b>RELOCATION ASSISTANCE</b>	<b>\$6,457,712</b>	<b>\$17,717,195</b>	<b>\$129,698,609</b>

## Targeted Programs

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- **Emergency Homeowner Loan Program (EHLF):** Bank of America has been working with HUD and the Bank of New York – Mellon (fiscal agent assigned by HUD) to implement the EHLF program in the 27 states that will be managed through a central process. In addition, five states have been authorized by HUD to manage their own programs through their state Housing Finance Agencies (HFA). In the additional five states, the bank has been working with state HFAs to roll out the process, and we are currently live in three states (Maryland, Pennsylvania, and Idaho).
- **Hardest Hit Fund Programs:** Bank of America has signed agreements to participate in unemployment program in all 18 eligible states and the District of Columbia. The bank also is involved in principal reduction pilot programs in Arizona, California, Nevada and Rhode Island. In the early stages of these programs to date, Bank of America leads the industry with more than 1,400 customers approved for payments from the Hardest Hit Fund and more than \$6 million in assistance paid.

## Community Stabilization

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- **REO properties:** Bank of America supports the Neighborhood Stabilization Program (NSP) where recipient and their designees, such as community or non-profit groups, are granted access to the bank's REO inventory and pre-listed vacant properties for a "First Look". The First Look provides NSP recipients a competitive advantage over cash buyers/investors at a discounted price offered by the bank. In 2010 we closed on 952 properties and for 2011 have closed on 150 additional properties.
- **Property Donations:** Bank of America has entered into agreements with public agencies in the Cuyahoga County (Cleveland), Chicago and Detroit offering to donate up to a total of 350 low-value vacant properties in those communities and participate in the cost of demolishing deteriorated structures to help alleviate the impact of urban blight on surrounding neighborhoods and the community at large. The properties may be used by local agencies for redevelopment and neighborhood revitalization.

## Extending Credit

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- **Mortgage Production:** Bank of America funded \$57 billion in first mortgages in the first quarter of 2011, which helped nearly 260,000 people either purchase homes or refinance existing mortgages. This included approximately 51,000 first-time homebuyer credit-qualified mortgages and more than 86,000 mortgages to low- and moderate-income borrowers. Approximately 31 percent of funded first mortgages were for home purchases and 69 percent were refinances.
- **Home Affordable Refinance Program:** Designed to stabilize mortgages for borrowers with little or no equity in their homes. Since the program's inception in April 2009, Bank of America has helped refinance loans with LTVs greater than 80 percent for nearly 218,000 borrowers.



11 EAST ADAMS STREET TEL: 312 939-6074  
SUITE 1801 FAX: 312 939-6629  
CHICAGO, IL 60601 WWW.HOUSINGACTION.ORG

TRAINING • TECHNICAL ASSISTANCE • ORGANIZING • POLICY ADVOCACY

July 11, 2011

By Email to the Cook County Board of Commissioners

Dear Commissioners:

On July 12, 2011, the Cook County Board will vote on whether to extend contracts with the Chicago Bar Foundation (CBF), the Chicago Community Trust (CCT) and the Illinois Housing Development Authority (IHDA) ("Program Partners"), to implement key elements of the Circuit Court of Cook County's Foreclosure Mediation Program.

We write to offer our enthusiastic but conditional support for the contract extensions.

First, the Court and the Program Partners must implement as quickly as possible the set of recommendations that have been developed to significantly improve the Mediation Program. These recommendations (attached) were developed by a wide cross-section of stakeholders, including the Program Partners and most of the undersigned organizations, presented to the Court, and, we are told, virtually unanimously agreed to by the Court. The Program Partners also report that if their contracts are extended, they will implement these recommendations with ongoing input from stakeholders.

We believe that the recommendation that the Court adopt a more active case management process is the key to unlogging the system, reducing delay, and ensuring that the program provides effective assistance to many more vulnerable homeowners and communities. While we understand that the recommendations will be phased in over several months, we believe that this recommendation must be implemented especially quickly. Until it is, we fear that countless homeowners will miss the best opportunity they have to save their homes.

Second, the Court must commit to greater communication, transparency and accountability as the recommended modifications are refined and implemented.

Foreclosures continue to decimate communities throughout Cook County. A well-functioning Mediation Program is an essential tool to help homeowners understand their options and, whenever possible, keep their homes with sustainable, realistic loan modifications.

We appreciate your support of this important initiative and your ongoing efforts to improve it. Please do not hesitate to contact any of the below-signed organizations if you would like more information.

Sincerely,

Adam Gross, Affordable Housing Program Director, Business & Professional People for the Public Interest, (312) 759-8255

Sharon Legenza, Executive Director, Housing Action Illinois, (312) 939-6074 ext. 203

Braden Listmann, Housing Policy Director, Action Now, (312) 493-9117

Brian White, Executive Director, Lakeside CDC, (773) 381-5253

Attachment

## 2011 Cook County Restructuring Plan

**Authorization for the following:**

- **Not to exceed \$425 million for Refunding and/or Restructuring**

Under current market conditions, approximately \$365 million of such authority would need to be used. The remaining \$60 million can support additional restructuring if beneficial to the County. The above refunding/restructuring will generate \$85 million for the current and each of the next two years, plus approximately \$45 million in additional Self-Insurance purposes for one or more years.

- **Not to exceed \$120 million for Short Term Restructuring Note**

These bonds will be retired in approximately 90 days (upon full receipt of the remainder of the 2010 levy to be received in the latter half of fiscal year 2011).

- **Not to exceed \$295 million for Long Term New Projects (Board approval required)**

New bonds may be issued ONLY AFTER July 1, 2012, and only in such amounts and series as may be determined by the Board for specific projects at such time approved.

**The following provides an estimated restructuring plan assuming current market conditions, and is subject to continuing technical refinement for the County's benefit:**

- Tax-Exempt interest rates (based on length of maturity) between 2.2% and 5.8%
- Taxable interest rates (based on length of maturity) between 5.6% and 6.9%

<u>Estimated Restructuring Sources and Uses</u>	<u>Tax-Exempt Restructure</u>	<u>Taxable Restructure</u>	<u>Restructure Total</u>	<u>Short Term Note</u>
Restructuring Bond Principal	109,165,000	250,395,000	359,560,000	110,180,000
Restructuring Bond Market Premium	2,777,416	-	2,777,416	255,618
	<u>111,942,416</u>	<u>250,395,000</u>	<u>362,337,416</u>	<u>110,435,618</u>
Estimated Expenses of Issuance	940,602	1,818,068	2,758,670	187,725
Capitalized Interest	-	44,947,547	44,947,547	-
Escrows for Refunded Bonds	111,001,814	203,629,384	314,631,198	-
Proceeds to Corporate Purposes	-	-	-	110,247,893
	<u>111,942,416</u>	<u>250,395,000</u>	<u>362,337,416</u>	<u>110,435,618</u>
<u>Key Financial Performance Statistics</u>				
Conservative Interest Cost	5.0245	6.8660	6.2816	2.6784
Average Bond Life (in years)	14.2362	13.0252		0.1861
Net Present Value Cost			23,749,376	

## 2011 Cook County Restructuring Plan

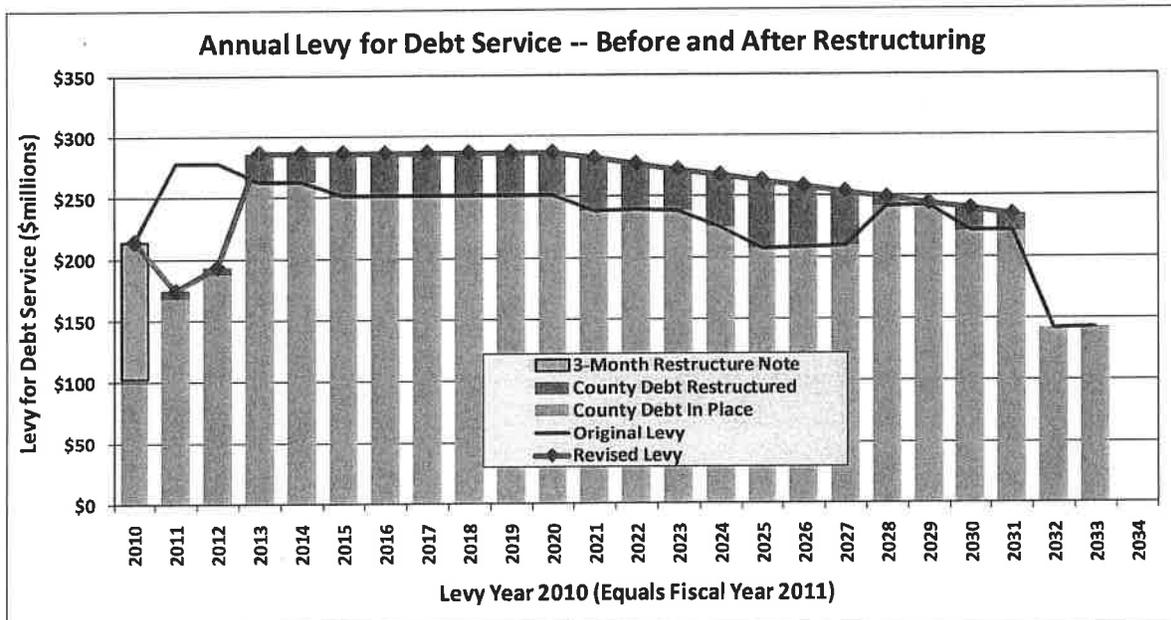
**\$300 million Levy Savings over 3 years helps the County realign its fiscal planning:**

- \$110 million Restructuring Note converts the 2010 Levy in progress to Corporate purposes.
- Combination of Levy Note Proceeds and freed-up Levy results in \$85 million to the County in the current and next two fiscal years, plus \$45 million Self-Insurance.

Three Year Period		Sources of 3 Year Savings			Application of 3 Year Savings		
Levy Year	For Fiscal Year End	Net Proceeds From the 2011 Restructure Note	Free-Up Debt Levy From Restructure	Total Savings Created	Budgetary Commitments	Self-Insurance Line Pay-Down	Savings Applied
2010	Nov. 2011	110,247,893	4,689	110,252,582	85,000,000	25,252,582	110,252,582
2011	Nov. 2012		104,737,739	104,737,739	85,000,000	19,737,739	104,737,739
2012	Nov. 2013		85,010,171	85,010,171	85,000,000	10,171	85,010,171
		110,247,893	189,752,600	300,000,492	255,000,000	45,000,492	300,000,492

**Repayment of Restructuring does not dramatically alter the County's total debt levy:**

- Current Peak Levy occurs in Levy Year 2011 (Fiscal Year 2012) = \$278.8 Million.
- Revised Levy Peak occurs in Levy Year 2013 (Fiscal Year 2014) = \$286.3 Million



THE BOARD OF COMMISSIONERS  
TONI PRECKWINKLE, PRESIDENT



COUNTY OF COOK  
DEPARTMENT OF BUDGET & MANAGEMENT  
SERVICES

ANDREA GIBSON  
DIRECTOR

County Building  
118 North Clark Street, Room 1100  
Chicago, Illinois 60602-1304  
TEL: (312) 603-5611  
FAX: (312) 603-4757

Earlean Collins	1 <sup>st</sup> Dist.	Bridget Gainer	10 <sup>th</sup> Dist.
Robert Steele	2 <sup>nd</sup> Dist.	John P. Daley	11 <sup>th</sup> Dist.
Jerry Butler	3 <sup>rd</sup> Dist.	John A. Fritchey	12 <sup>th</sup> Dist.
William M. Beavers	4 <sup>th</sup> Dist.	Lawrence Suffredin	13 <sup>th</sup> Dist.
Deborah Sims	5 <sup>th</sup> Dist.	Gregg Goslin	14 <sup>th</sup> Dist.
Joan P. Murphy	6 <sup>th</sup> Dist.	Timothy O. Schneider	15 <sup>th</sup> Dist.
Jesus G. Garcia	7 <sup>th</sup> Dist.	Jeffrey R. Tobolski	16 <sup>th</sup> Dist.
Edwin Reyes	8 <sup>th</sup> Dist.	Elizabeth Ann Doody Gorman	17 <sup>th</sup> Dist.
Peter N. Silvestri	9 <sup>th</sup> Dist.		

**Memorandum**

To: Chairman John P. Daley  
Finance Committee

From: Andrea Gibson *AG*  
Budget Director  
Department of Budget and Management Services

Date: July 26, 2011

Re: Vehicle Purchases and Health and Hospitals Technology Expenditures

CC: Tariq Malhance, Chief Financial Officer

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This memorandum addresses two questions that were raised at the Finance Committee Hearing on Monday, July 25, 2011 regarding capital equipment appropriations. First, the details of the vehicle purchase requests are provided. Secondly, the technology spending for the Lawson Enterprise Resource Planning system is explained.

**Vehicle Purchase Capital Equipment Requests**

The FY2011 Capital Equipment Requests for Vehicle Purchase (Fund 549) includes a total of 251 vehicles for just over \$8M. Vehicles purchases will all be made in accordance with the Vehicle Steering Committee (VSC) guidelines and will require (VSC) approval prior to purchase.

The request includes 51 heavy equipment or specialized vehicles including dump trucks, cargo vans, passenger vans, and maintenance trucks with snow plow capabilities. Police or squad vehicles make up 181 of the 251 vehicles and represent 72.11% of the requested vehicles. Of the request, 19 of the vehicles are passenger sedans or light duties suv/trucks, representing 7.57% of the request. Please see attached report for the detailed request by department.

**Health and Hospitals Technology Expenditures**

The Lawson Enterprise Resource Planning System G/L component cost \$12.7M, paid in one payment in June 2010, \$4.8M of which was paid out of prior years' capital equipment allocations.

## Capital Equipment

### Vehicle Purchase (Fund 549) Summary

Finance Committee Hearing

July 25, 2011

### Summary of Requests

General Category	Number of Vehicles	Requested Appropriation	Percentage of Request (Number of Vehicles)
Heavy Equipment or Specialized Vehicles*	51	\$3,410,175	20.32%
Police or Squad Vehicles	181	\$4,072,665	72.11%
Passenger Sedan or Light Trucks	19	\$532,000	7.57%
<b>Total</b>	<b>251</b>	<b>\$8,014,840</b>	<b>100%</b>

\*Includes passenger vans for prisoner transport and snow plow equipment for Sheriff

### Detail by Department

#### Department of Highways

General Description	Details of Request	Quantity
Vehicle Truck	Crew Cab Dump Truck F-550- Replace high mileage and older worn out units.	8
Vehicle Truck	Flat Bed Truck Emergency	1
Vehicle Truck	Tandem Axle 60,000lb. dump - Replace older high mileage trucks to keep the roads clear of snow and ice and other related maintenance items.	5
Vehicles-Other Road Maint.	Skid steer loader with attachments and trailer (bobcat style).	1
Vehicles-Other Sedan	Passenger Vehicles- Replace high mileage and older worn out units.	4
Vehicles-Other Road Maint.	Street sweepers, right/left gutter brooms, main rear broom, hopper dumping height 10 feet.	2
<b>Department Total</b>		<b>17 heavy equipment 4 passenger sedan</b>

Animal Control Department

General Description	Details of Request	Quantity
Vehicles	Truck for Animal Control field work	1
<b>Department Total</b>		<b>1 specialized vehicles</b>

IT Solutions and Services

General Description	Details of Request	Quantity
Vehicles-Pickup	Replacement department vehicles used to transport telecom equipment	4
Vehicles Sports Utility	FY 2009 Department Vehicles already purchased. These vehicles are used to transport telecom equipment	4
<b>Department Total</b>		<b>8 passenger vehicles</b>

Public Defender

General Description	Details of Request	Quantity
Vehicles-Other Sedan	Replacement of two 1999, two 2002 and four 2005 vehicles. The 2002 vehicles currently have over 85,000 miles. The autos are used by investigators that must deliver subpoenas and other duties	6
<b>Department Total</b>		<b>6 passenger sedans</b>

TB Sanitarium District

General Description	Details of Request	Quantity
Vehicle Truck	Purchase of Ford F250 heavy duty 4WD truck	1
<b>Department Total</b>		<b>1 specialized vehicle</b>

Chief Judge—Adult Probation/Probation Service Fee Fund

General Description	Details of Request	Quantity
Vehicle-Police Sedan	2011 Ford Crown Victoria Police Interceptor	1
Vehicle-Sport Utility	2011 Chevrolet Tahoe Police Pursuit	5
Vehicle-Cargo Van	2011 Ford E-350 Cargo Vans	2
Vehicle-Truck	2011 Ford F650 Box Truck	1
<b>Department Total</b>		<b>6 police vehicles 3 specialized vehicles</b>

Clerk of the Circuit Court Document Storage Fund

General Description	Details of Request	Quantity
Vehicle Truck	For delivery of mail, the truck to be replaced was purchased in 1994, has over 80,741 miles, is not repairable	1
Vehicle Truck	For the delivery of mail, the trucks needs replacement and a bigger truck is requested to more appropriately meet the needs of the department.	1
<b>Department Total</b>		<b>2 specialized vehicles</b>

County Clerk—Election Division Fund

General Description	Details of Request	Quantity
Vehicles-Other Sedan	Hybrid Mid-Size Sedan from City of Chicago Contract	1
<b>Department Total</b>		<b>1 passenger vehicles</b>

Sheriff

General Description	Details of Request	Quantity
Vehicle Bus	Prisoner Transport Bus necessary to transport large number of inmates to court dates, downstate, and other correctional institutions.	4
Vehicles-Police Sedan	Police sedan based on availability given by the manufacturers.	125
Vehicles-Cargo Van	Ford E 150 Cargo Van	3
Vehicles Passenger Vans	Passenger Vans necessary to transport inmates to court dates, downstate, and other correctional institutions. More economical to use when transporting a smaller number of inmates than a prisoner transport bus.	15
Vehicles-Police Sedan	Ford Fusion Hybrid or similar Police Sedan to replace high mileage vehicles in Sheriff's Office fleet.	50
Vehicle Truck	2011 Ford F-150 Truck with plow options to replace existing trucks that have high mileage and are costly to repair. These trucks will assist the Sheriff's Office adequately perform maintenance and safety duties in Cook County throughout the year.	5
<b>Department Total</b>		<b>202 total</b> <b>175 police or squad vehicles</b> <b>27 specialized vehicles</b>

## Self Insurance Fund Allocation

	Corporate	Public Safety	Health	Total
Total Charge to Funds for FY07	(1,581,414)	(605,801)	27,690,583	25,503,368
Total Charge to Funds for FY08	9,291,682	32,617,934	57,693,676	99,603,293
Total FY07 and FY08 Charge to Funds	7,710,269	32,012,133	85,384,259	125,106,661
Adjustment in FY10 to zero out fund balance	(13,073)	(62,833)	(117,338)	(193,244)
<b>Total Charge to Other Funds for FY10</b>	7,697,196	31,949,300	85,266,921	124,913,417
Fund Balance at 11/30/2010	111,127,445	55,600,809	223,597,448	(124,913,417)
Fund Balance Adjusted	103,430,249	23,651,509	138,330,527	-

Categories of Expenses which are charged to the Self Insurance Fund that are Health Related

- Malpractice Insurance
- Court Reporting
- Hospital Billings for Prisoners
- Workers' Comp Settlements
- Self Insurance Settlements

During FY2007, the County had put out a bid for G.O. Bonds with proceeds to be used to fund the Self-Insurance account but the bonds were not sold in FY07 or in FY08. Thus, during FY2007 and FY2008, claims expenditures and related costs were being incurred and paid out of the Self-Insurance Fund but no bond funding was provided to pay for the claims.

Based on GASB 10, paragraphs 64-68, "Risk Retention by Entities Other Than Pools", if the Self Insurance Fund has not been completely reimbursed by other funds for the cost of claims over a period of time, any deficit fund balance should be charged back to the other funds and reported as an expenditure of those funds.

Expenditures are currently being reimbursed by the appropriate funds in accordance with GASB 10, the remaining FY2007 and FY2008 claims expenditures were never charged to other funds, creating a negative fund balance of approx \$124.9M as of November 30, 2010..

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## Negative Fund Balance – Self Insurance Account

As of November 30, 2009, Cook County disclosed as part of the Comprehensive Annual Financial Statements a \$125,025,513 negative balance in the Self Insurance Account of the General Fund as a result of the Board of Commissioners decision not to issue bonds for the Self Insurance costs. As of November 30, 2010, a negative balance remains in the amount of \$124,913,477.00.

As stated above the negative balance is a result of the Board's decision not to authorize bonds which was the anticipated funding source for the outstanding FY2007 and the FY2008 Self Insurance Fund, the Board has been carrying the negative balance in the Self Insurance Account and is reflected annually as a negative balance in the Comprehensive Annual Financial Report.

In FY 2009, the Board of Commissioners through the annual appropriation granted authority to the Budget Director to establish appropriation within the General Fund for the purpose of the payment of comprehensive general liability, and malpractice insurance claims and related expenses. In addition, appropriations made to Reserve for Claims, account 826, was to be deposited to the Self Insurance Fund during the first month of the fiscal year. The Board further authorized the Self Insurance Fund to be credited with all interest earned from Self Insurance Fund investments during the year. This Fund shall be charged for comprehensive general liability, and malpractice insurance claims and related expenses.

Effective Fiscal Year 2009 and thereafter, each agency has been responsible for the appropriation of projected claims and for FY2009 and thereafter, the Budget Director determines, based on actuarial analysis and recent claims history, the annual amount to be appropriated for each department in account 826.

Due to the fact that the cost/liability of self insurance is appropriated across Cook County departments, it is requested that the Board grant the authority to the Cook County Comptroller pursuant to Section 2-414 of the County's Code and authorize the Comptroller to settle the negative balance and revise the Self Insurance Account by applying the negative balance in an equitable fashion across the Public Safety and Corporate Accounts and the Health Enterprise Fund Account. Revising the accounts will allow the negative balance to be applied to the Fund Balance on the Public Safety and Corporate Accounts and the Health Enterprise Fund Account.

### **Sec. 2-414. - Settlement of accounts.**

The Comptroller shall, subject to the approval of the County Board, revise, audit, and settle all accounts in which Cook County is concerned, either as debtor or creditor, or where provision for the settlement thereof is not otherwise provided for by law, and the settlement of which is not especially committed to some other authority. No payment of any account so settled or adjusted shall be made

except by the order of the County Board, after approval by the finance committee. The Comptroller shall have the power, in making such settlements and adjustments, and for the purpose of ascertaining the true state of any balance or balances so due, to require any claimant or claimants to deposit and file with him, a statement in writing, under oath, as to any fact, matter, or things concerning the correctness of any account, claim, or demand presented.

**Option 1 – Revise the Self Insurance Account – Negative Balance for 2011**

Submit 2010 CAFR and Resolution Revising the Self Insurance, Public Safety and Corporate Accounts and the Health Enterprise Fund Account. – The \$124,913.477.00 would be applied to the fund balance of the Public Safety and Corporate Accounts and the Health Enterprise Fund Account. Applying this correction to 2011 does not allow for the 2010 CAFR to revise this longstanding issue.

**Option 2 – Revise the Self Insurance Account – Negative Balance for 2010**

Delay issuance of the 2010 CAFR and seek approval of a Resolution Revising the Self Insurance, Public Safety and Corporate Accounts and the Health Enterprise Fund Account in order to apply the negative \$124,913.477.00 Self Insurance Account balance equitably to Corporate, Public Safety and Health. Applying this correction to 2010 allows the County to address a longstanding issue and to enhance the fund balance of the corporate fund.