



## DEPARTMENT OF PROCUREMENT SERVICES

### CITY OF CHICAGO

September 19, 2014

Dear Vendor:

Thank you for your interest in doing business with the City of Chicago. The Department of Procurement Services ("DPS") is the contracting authority for the City of Chicago and we strive to guarantee the City's taxpayers and business partners an open, fair and timely process for the procurement of the goods and services required by the City. Under the leadership of Mayor Rahm Emanuel, the City has made numerous enhancements and improvements to its contracting process. I am writing to remind you that City contractors must comply with all of the terms and conditions of their contracts and all laws, rules, and regulations that pertain to City contracting. I would also like to make sure that you are aware of a new provision that will apply to contracts advertised on or after October 1, 2014.

Earlier this month, Mayor Emanuel issued Executive Order 2014-1 requiring City contractors and concessionaires to pay certain employees at least \$13 per hour, to be adjusted for inflation. A copy of the Order is attached for reference. Many of you may have questions about how this will affect you and your business.

The Order applies only to employees of the City's contractors – including subcontractors – and concessionaires working under contracts with the City advertised on or after October 1, 2014. It does not apply to employees working under existing contracts, or for contracts originally advertised prior to October 1, 2014, even if awarded after that date. Nor does it apply to not-for-profit enterprises. Nevertheless, everyone doing business with the City is strongly encouraged to pay all their employees fair and sufficient wages. The Order also does not affect employees working under a collective bargaining agreement, if that agreement was in effect prior to October 1, 2014, or if it specifically waives compliance with the Order.

DPS has been tasked with implementing, and determining contractor compliance with, the Order. In addition, we have promulgated rules and regulations that require full cooperation with any inquiry or investigation of violations of the Order. Those rules and regulations are available on the City's website. Mayor Emanuel believes that every worker in the City and across the state deserves an adequate wage. We expect all City contractors to comply with the Order designed to accomplish that goal.

Since he took office, Mayor Emanuel has implemented a series of reforms to ensure that the City is open, fair, and competitive in its business practices. Contractors also are obligated to meet these standards as well. For those of you who are following the law, we salute your commitment to improving the City of Chicago. For those of you that are not following the laws, rules, and regulations that bind you, let this message be a call for compliance with the rules that we all must follow. If any contractor fails to comply with this directive, the City will use all of the resources and remedies at its disposal to protect the interests of the residents of Chicago. Offenders can be subject to remedies as severe as debarment, contract termination, and prosecution under the False Claims Act. Actions and omissions that may subject you to the foregoing include manipulating bid contract documents, such as Schedule Cs for subcontractors, and failing to report corrupt activity as required by City ordinance. Be assured that the City is inspecting work sites on a regular basis to check for compliance. To that end, DPS has hired field analysts who have been tasked with conducting site visits, documenting their findings, and looking for

any occurrence of noncompliance with the contract or the law. Additionally, payments to all subcontractors must be entered into C2 by the prime contractors and confirmed by subcontractors.

DPS has several resources available to monitor and assist contractors in the compliant performance of City contracts. First, the City has invested in new technology to facilitate procurement and contract administration processes. Second, DPS employees are available in person, over the phone, via email, and by letter to answer questions and help you ensure that you are in compliance. Third, the Vendor Compliance Resource Guide<sup>1</sup> is a comprehensive guide with information on each stage of the contracting process, including contract compliance. You are strongly encouraged to use these resources to ensure you are compliant with your legal, contractual, and ethical obligations.

Performing work for our taxpayers under City contracts is a privilege – not a right – and all of us who are stewards of taxpayer resources in one fashion or another must hold ourselves to the highest standards. The Mayor expects us all to be committed to these standards.

Sincerely,



Jamie L. Rhee  
Chief Procurement Officer

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<sup>1</sup> Available at City Hall, Room 301, Bid and Bond Room, and online at <http://www.cityofchicago.org/content/dam/city/depts/dps/Outreach/DPSVendorComplianceResourceGuiderev0514.pdf>.