



Unbundling Update

Finance Administration Operations Committee

March 20, 2013

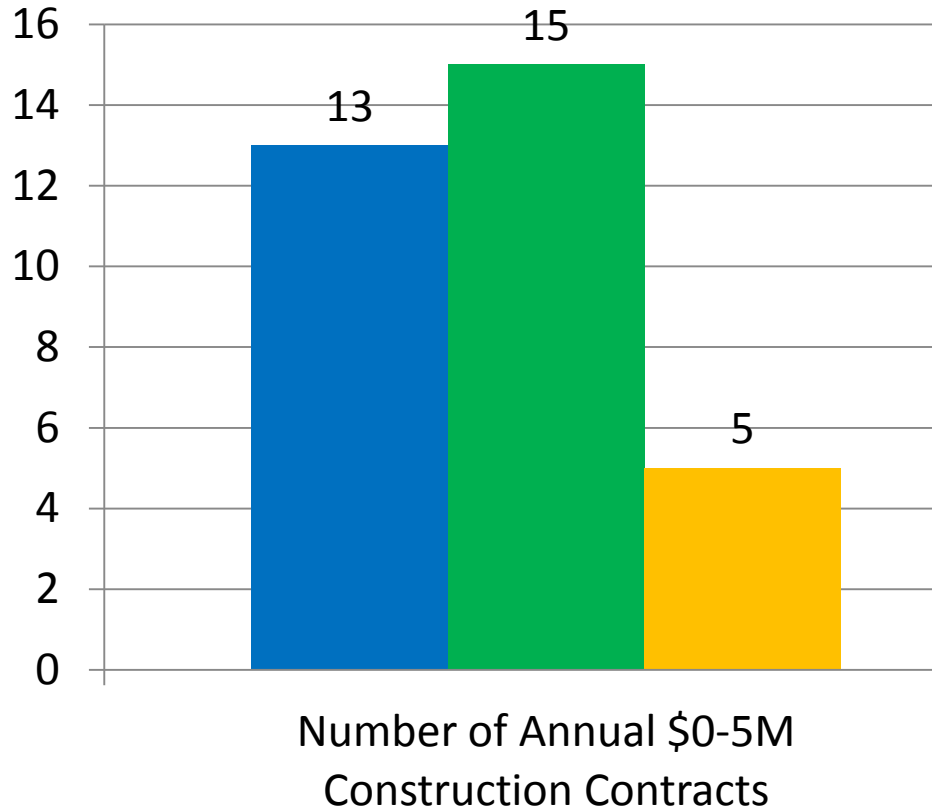
Unbundling – Creating Opportunity

- ▶ **Goal - increase opportunities for small contractors**
 - ▶ Range of job sizes and types
 - ▶ Increased opportunity for prime role
 - ▶ Meet CRP metrics (40 percent of construction contracts)
- ▶ **Mainly focused on construction**
- ▶ **Guided by safety and efficient delivery/administration**
- ▶ **Program-wide commitment**
 - ▶ Corridor Managers actively defining small contract opportunities
- ▶ **Aggressive outreach**

Last Year's View

- ▶ **Procurement represents a significant challenge to unbundling efforts**
- ▶ **More contracts = more exposure to procurement delays**
 - ▶ Numerous, small and narrowly scoped contracts = **greater risk** of procurement delays
 - ▶ Fewer, large, broad contracts with longer durations = **less risk** of procurement delays
- ▶ **Early delays cause ripple effect**

Number of Small Contracts - Typical Year



Actual CRP

Number of \$0-5 million CRP construction contracts in typical (\$1 billion) year



Potential *Move Illinois*

Potential number of \$0-5 million *Move Illinois* construction contracts in typical (\$1 billion) year



Risk-Adjusted *Move Illinois*

Potential number of \$0-5 million *Move Illinois* construction contracts in typical (\$1 billion) year accounting for procurement risks

Beating Expectations

- ▶ **2012: Awarded 14 contracts under \$5 million**
 - ▶ Three new firms won prime roles on four unbundled construction contracts
- ▶ **2013: Awarded three contracts under \$5 million**
 - ▶ Two certified MBE firms won prime contractor jobs for the first time
- ▶ **This month: 10 unbundled construction contracts**
 - ▶ One **new small business** – Earthwerks Land Improvement & Development Corp.
 - ▶ One **DBE prime** – Acura Inc.
- ▶ **Building momentum**
 - ▶ Increasing number of small and D/M/WBE bidders and winners

Building Momentum By...

- ▶ **Raising awareness through outreach and networking**
 - ▶ *Today's Challenges, Tomorrow's Reward* (IDOT-sponsored event) - February 19 and 20
 - ▶ Winning With the State - March 4
 - ▶ Intergovernmental Small Business Forum - March 29
 - ▶ Contractor Networking Event - April 16

- ▶ **Helping new businesses navigate the contract and bidding process**
 - ▶ Construction Contracts 101 Webinar
 - ▶ Sample contract requirements book online

- ▶ **Coordinating between departments to define and communicate opportunities**

- ▶ **Pursuing continuous improvement**





Partners in Success

- ▶ Alliance of Minority and Female Contractors
- ▶ American Brotherhood of Contractors Business Development Center
- ▶ Asian American Institute
- ▶ Association of Asian Construction Enterprises
- ▶ Black Contractors United
- ▶ Chatham Business Assn. Small Business Development Inc.
- ▶ Chicago Minority Supplier Development Council Inc.
- ▶ Chicago Urban League
- ▶ Cosmopolitan Chamber of Commerce
- ▶ Federation of Women Contractors
- ▶ Hispanic American Construction Industry Association
- ▶ Illinois Hispanic Chamber of Commerce
- ▶ Latin American Chamber of Commerce
- ▶ National Association of Women Business Owners
- ▶ Rainbow/PUSH Coalition
- ▶ Suburban Minority Contractors Association
- ▶ Uptown Center Hull House
- ▶ Women Construction Owners & Executives (WCOE)
- ▶ Women's Business Development Center
- ▶ Chicago Women in Trades (CWIT)
- ▶ Coalition for United Community Labor Force
- ▶ Englewood Black Chamber of Commerce
- ▶ South Shore Chamber Inc.
- ▶ United Neighborhood Organization (UNO) Black Contractors United
- ▶ Chicago Minority Supplier Development Council Inc.
- ▶ Federation of Women Contractors
- ▶ Hispanic American Construction Industry Association (HACIA)
- ▶ Illinois Hispanic Chamber of Commerce
- ▶ Latin American Chamber of Commerce
- ▶ Suburban Minority Contractors Association
- ▶ Rock Valley College/Procurement Technical Assistance Center
- ▶ Small Contractors Network (SCN)
- ▶ Alliance of Business Leaders (ABLE)

Continuous Improvement

- ▶ **Continue unbundling**
- ▶ **Continue training and technical assistance**
- ▶ **Evaluate approaches to bonding and insurance**
- ▶ **Consider worksite diversity/community hiring initiative**
- ▶ **Consider small business program**