



March 24, 2025

Ms. Sharla Roberts
Chief Procurement Officer
City of Chicago / Department of Procurement Services
121 N. LaSalle Street, City Hall Room 403
Chicago, Illinois 60602

Re: Urgent Request for Contract Renegotiation – Impact of 3% Invoice Reduction

Dear Ms. Roberts,

On behalf of the American Society of Landscape Architects, Illinois Chapter (ILASLA) and our 500+ members, we write to express serious concerns regarding the City's recent decision to impose a 3% reduction on submitted invoices—including those for services already rendered.

While we recognize and appreciate the City's efforts to manage budget constraints, this approach places an undue burden on the many small businesses that contribute to Chicago's urban development. The unintended consequences of this policy will not only impact our members but could also have long-term detrimental effects on the City's ability to attract and retain high-quality professionals.

Based on feedback from our members, we have outlined the following **Key Concerns**:

1. Delayed Payments Already Create Financial Hardship

City agencies typically operate with a **6-12 month delay in payments**, effectively forcing businesses to finance public projects **interest-free**, often at a cost equal to or greater than the proposed 3% reduction. This means firms are already absorbing losses before this additional financial strain is imposed.

2. Threat to Jobs and Business Viability

For many firms, the **cumulative effect of this cut equates to the cost of an entire full-time employee's salary for a year**. This will inevitably lead to layoffs, stifling economic growth, reducing employment opportunities, and weakening local businesses—many of which are minority- and women-owned enterprises that the City has pledged to support.

3. Contracts Were Negotiated in Good Faith

Many firms agreed to fixed-fee contracts **years ago**, limiting salary adjustments and profit margins. Since then, rising labor costs and inflation have already eroded anticipated profits. Retrospective fee reductions undermine the integrity of these agreements and may deter future participation in City projects.

4. **Risk of Fewer Bidders and Declining Quality**

If firms cannot trust the City to uphold agreed-upon contracts, **participation in future bidding will decline**. Reduced competition will drive away experienced firms, leading to lower-quality work, fewer innovative solutions, and long-term setbacks for Chicago’s infrastructure and public spaces.

5. **Disproportionate Impact on Small and Minority-Owned Firms**

Many smaller firms operate on **razor-thin margins** and cannot absorb further cuts without severe consequences. If this policy persists, it will **drive firms out of business**, reducing competition and diversity in the City’s contractor pool—contradicting Chicago’s stated commitment to supporting small and minority-owned enterprises.

6. **Undermining Chicago’s Reputation as a Reliable Partner**

Requests for fee reductions **after services have already been provided** create uncertainty and instability. Many professionals will reconsider whether they can afford to work with the City in the future. In private-sector negotiations, such a request would necessitate an adjustment in scope; however, in this case, firms are being asked to absorb the loss with no compromise.

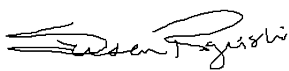
A Call for Collaboration and Alternative Solutions

We strongly urge the City to **reconsider this policy** and engage in a meaningful dialogue with stakeholders. Instead of imposing retroactive reductions, we propose:

- **A collaborative meeting** between the City, professional organizations, and impacted contractors to explore **alternative cost-saving measures** that do not disproportionately harm small businesses.
- **A long-term strategy** that supports both fiscal responsibility and the stability of Chicago’s design and construction industry.

We value our partnership with the City of Chicago and remain committed to helping shape solutions that are fair, sustainable, and beneficial for all parties. We welcome the opportunity to meet and discuss how we can work together toward a resolution that protects both the City’s interests and the integrity of its contracting partners.

Sincerely,



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