



OFFICE OF ECONOMIC OPPORTUNITY

FISCAL YEAR 2016 ANNUAL REPORT
JULY 1, 2015 - JUNE 30, 2016

THE OEO MISSION

THE OFFICE OF ECONOMIC OPPORTUNITY (OEO) PROMOTES THE ECONOMIC DEVELOPMENT OF MWDSBES THROUGH ITS REGISTRATION PROGRAM; CONTRACT REVIEW AND MONITORING ACTIVITIES; AS WELL AS ONGOING INTERACTION WITH OTHER CITY DEPARTMENTS, QUASI-PUBLIC AGENCIES AND THE LOCAL MARKETPLACE.

THE OEO CURRENTLY OPERATES UNDER THE MAYOR'S EXECUTIVE ORDER 3-12, THE CITY'S REGULATIONS THAT GOVERN THE MBE, WBE, AND DSBE BUSINESS PROGRAM.



OFFICE OF ECONOMIC OPPORTUNITY
FY16 ANNUAL REPORT

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LETTER FROM THE MAYOR

Philadelphia's diverse residents are one of our city's most valuable assets, strengthening the economy and adding to our cultural fabric. We are in the midst of a great renaissance in Philadelphia, one that has included an increase in tourism, a construction boom, population growth and more. With our most recent success comes an even greater responsibility to ensure that the people and businesses benefiting from this ongoing development are representative of Philadelphia's population.

Since being sworn in as Philadelphia's 99th mayor, I have been committed to increasing diversity both within the City's workforce and in the contracts that are awarded using public funds. I am pleased to join Iola Harper, the City's Deputy Commerce Director for the Office of Economic Opportunity, in releasing the latest participation data for Fiscal Year 2016.

While the analysis provided in the FY16 Annual Report shows that the City of Philadelphia is making progress by increasing contracting opportunities for Minority, Women and Disabled-Owned Businesses, it is clear that we still have work to do. Like many cities across the country, Philadelphia faces longstanding barriers to economic inclusion. The Office of Economic Opportunity will continue to combat those challenges through enhanced monitoring, capacity building with small businesses, and other targeted strategies.

Thank you for your dedication to creating more equitable economic opportunities in our great city.

James F. Kenney
Mayor, City of Philadelphia



**IOLA HARPER**

DEPUTY DIRECTOR OF COMMERCE
OFFICE OF ECONOMIC OPPORTUNITY

MESSAGE FROM THE DIRECTOR

The role that Minority, Women and Disabled-Owned Business Enterprises (MWDSBEs) play in Philadelphia's economy must not be underestimated. These businesses are a crucial part of the tax base, and they create more quality jobs and greater financial stability for the residents of our city. Without question, financial opportunity and stability invite the levels of social, civic and innovative engagement that great neighborhoods and cities are made of. This is precisely why we must work to increase the probability of success for MWDSBE firms in our city.

Philadelphia's historic construction boom and ever expanding skyline should be fertile ground for cultivating more minority and women prime contractors and engaging more MWDSBEs than ever before. Our failure to leverage every single opportunity for inclusion puts the economic future of our City in jeopardy. OEO's challenge is Philadelphia's challenge. I am optimistic, but I know it will take the proverbial village to move the needle.

I am pleased to release MWDSBE participation outcomes for FY16 and report on key activities of the Office of Economic Opportunity (OEO), as well as our vision and work plan for FY17 and beyond.

CHANGING OF THE GUARD AT OEO

On October 3, 2016, I joined the Kenney Administration as the new Deputy Director of Commerce heading the Office of Economic Opportunity and I am thrilled to be here. The last 25 years of my life have been spent in the economic development trenches working with small businesses and on urban corridors across the city and region. There is no greater joy for me than to be able to open the doors of opportunity for the small businesses I have served so diligently over the years.

I am enormously proud and grateful to follow a leader like Angela Dowd-Burton who led this office for the past six years. I offer my deep appreciation to her for taking time to onboard and mentor me during my first month on the job and more importantly for her extraordinary commitment to economic inclusion. I have huge shoes to fill.

I would also like to thank members of the Administration and the staff of the Office of Economic Opportunity for their warm welcome and wisdom. Likewise, I look forward to working closely with the members of City Council to push this important agenda forward. I am convinced that we all want the same thing – true and meaningful inclusion. Inclusion that is about more than looking good on paper. It is about real access that leads to significant opportunity for Minority, Women and Disabled-Owned businesses in this city.

FY16 PARTICIPATION

Participation results for the City of Philadelphia for FY16 show that OEO's focused attention on improving communication with City Departments, Quasi and Federal agencies, as well as the agencies that support MWDSBEs is working. Cumulatively, City, Quasi and Federal agencies awarded

\$318.3 million in contracts to MWDSBE firms in FY16, 30.6% of all eligible contracts. This represents an increase of over \$15 million (\$302.8 million /30.6% of eligible contracts) from FY15, and an increase of over \$51 million (\$266.6 million / 29.4% of eligible contracts) from FY14. Progress, but there is more work to be done.

Within City Departments, a total of 32.9% of contracts went to MWBE firms, with 18.6% going to MBE firms and 14.3% going to WBE firms. A deeper dive into the data revealed that of the total MWDSBE contracts awarded by City Departments, 41% of eligible contracts were awarded to African Americans, 39% to White Women, 12% to Asian Americans and 7% to Hispanic Americans.

DATA-LED REPORTING

If you have reviewed Annual Reports in the past, you should notice a change to this year's format. You still have all of the same information, yet we condensed the reporting down to one Annual Report with an accompanying appendix. More data, less narrative. We hope you like it as much as we do.

We plan to keep all you updated on the important work of OEO throughout the year via monthly informational emails, as well as a new OEO newsletter. You won't have to wait until the end of the year to peek into our world.

It is my hope that you will review this report and the supporting appendix both a critical eye and commitment to look at how we can all work collaboratively to create an economic infrastructure where everyone wins.



In this Annual Report, OEO provides a detailed analysis of the City contracts awarded to Minority, Women and Disabled-Owned Businesses during the period of July 1, 2015 through June 30, 2016. **Participation on City contracts is defined as the total contracts awarded to MWDSBEs as a percentage of eligible contracts awarded.**

Participation results continue to demonstrate that the City of Philadelphia is providing increased contract opportunities to MWDSBEs. For FY16, City Departments, Quasi-Public, and Federal Agencies awarded over \$318.3 million, 30.6% of eligible contracts, to MWBEs.

Public Works represented 37% of eligible contract dollars awarded in FY16. Personal and Professional Service contracts represent the lion's share of opportunities for businesses with 54% of the portfolio. MWBEs have shown the greatest advances in the category of Personal and Professional Services contracts with 38.9% participation. Services, Supplies and Equipment represent 7% of the value of contracts awarded.

OEO contracts an annual disparity study, which it uses to evaluate markets where there is limited availability of MWDSBEs "ready, willing and able" to respond to contract opportunities. OEO continues to highlight those markets for development.

Of the \$1.1 billion in contracts awarded during FY16, a total of \$211 million in "no opportunity deductions" were exempted from participation based on the lack of MWDSBEs ready, willing, and able to respond in certain markets. Adjustments to Department and Citywide contract spending have been made to reflect the net opportunity for MWBE participation.

"No opportunity" contracts are divided into the following major categories:

- **Personal and Professional Services** - \$159.7MM
(e.g. electric utilities, human services, proprietary software, etc.)
- **Citywide** - \$43.7MM
(e.g. water treatment chemicals, asphalt products, rock salt, etc.)
- **Service, Supply, and Equipment** - \$7.7MM
(e.g. pharmaceutical management, radio systems, etc.)

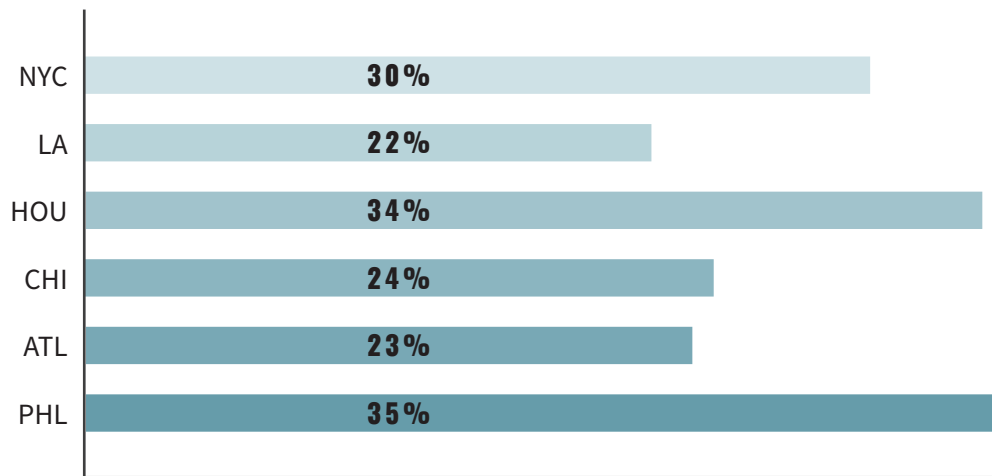


Figure 1
MBE
Construction
Contracting
Goals

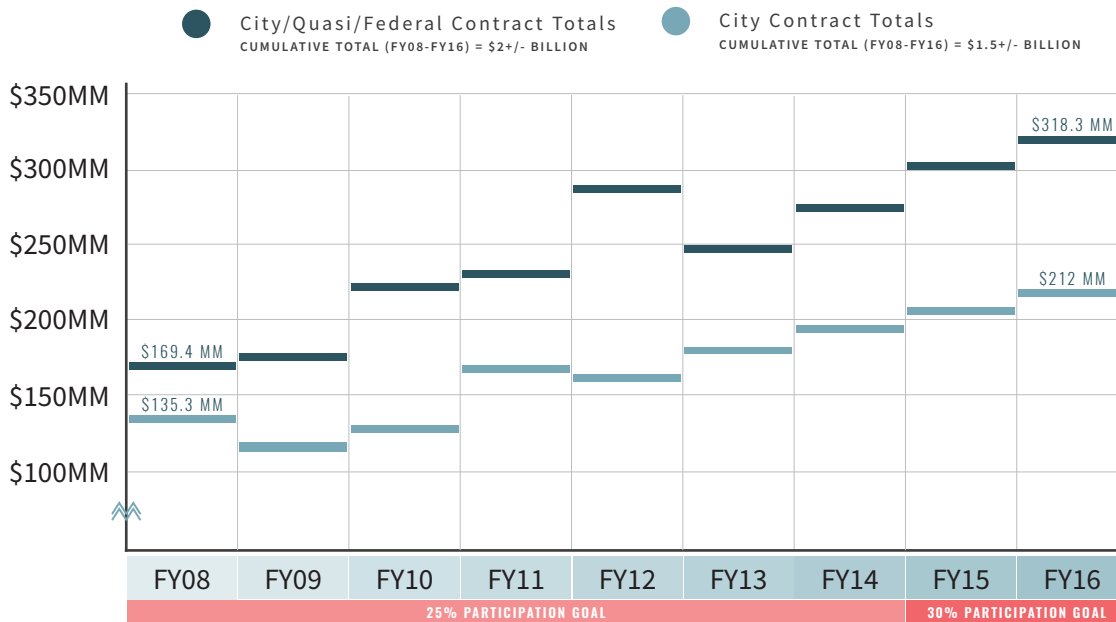


Figure 2
Value of
MWDSBE
Contracts

CONTRACT CATEGORY	ALL CONTRACTS				MWDSBE CONTRACTS			
	FY15		FY16		FY15		FY16	
	\$MM	%	\$MM	%	\$MM	%	\$MM	%
PUBLIC WORKS	\$226	37%	\$241	37%	\$56	25%	\$61	25%
SERVICES, SUPPLIES, + EQUIPMENT	\$55	9%	\$48	7%	\$15	28%	\$15	32%
PERSONAL + PROFESSIONAL SERVICES	\$325	53%	\$347	54%	\$125	39%	\$135	39%
MISCELLANEOUS ORDER PURCHASES	\$4	0%	\$4	1%	\$1	27%	\$1	22%
SMALL ORDER PURCHASES	\$6	1%	\$5	1%	\$1	9%	\$0.5	9%
TOTAL	\$616	100%	\$645	100%	\$198	32%	\$213	33%

Table 1
Historical
MWDBSE
Participation
by Contract
Category



The OEO Registry of Certified Businesses is a primary driver for establishing participation goals on City contracts. As of November 2016, over 2,581 companies have registered with OEO. This is an 80% increase in businesses since the inception of the Inclusion Works Strategic Plan in 2010. Since 2010, White women owned businesses (WBEs) have increased their share within the Registry from 37% to 40%. The share of African American owned businesses has declined from 45% in 2010 to 38%. Women of Color make up 17% of the Registry. This is the only section of the report where White women are separated from women of color to illustrate the flow of revenues into the minority business community.

For FY16, MWDSBEs received \$216 million from City Departments and Citywide (multi-site) contract activity. African American-owned businesses earned \$88.0 million (41%) of all MWDSBE contracting opportunities, Hispanic/Latino-American enterprises received \$16.0 million (7%), and Asian American businesses received \$26.2 million (12%) in FY16. Other disadvantaged groups including Native Americans, Native Hawaiian/Pacific Islanders and Disabled owned businesses received \$1.8 million, less than 1% of contracts awarded - consistent with previous years. WBEs were awarded \$83.9 million (39%) of the MWDSBE contract portfolio.

While African Americans make up 44% of the Philadelphia population, they own only 25% of businesses. Similarly, women comprise over half the city's population yet own less than 40% of businesses. Supplier diversity programs in the City, as well as the private sector, are important for developing more such diverse businesses. It is worth noting that between 2007 and 2012, the number of women-owned businesses in Philadelphia increased from 31% to 39%, and African American businesses from 22% to 25%. Hispanic and Asian-owned firms experienced similar increases.

OEO and the Eastern Minority Supplier Development Council are working closely and have identified several opportunities to work jointly to boost the number of minorities seeking certification, registration and contracting opportunities with the City.

In addition to focusing on the percentage of contracts awarded by ethnic group and gender, OEO is conscious of the volume of contracts being awarded and the need for more capacity in the market. For example, contract participation activity increased from \$169 million in FY08 to \$318.3 million in FY16.

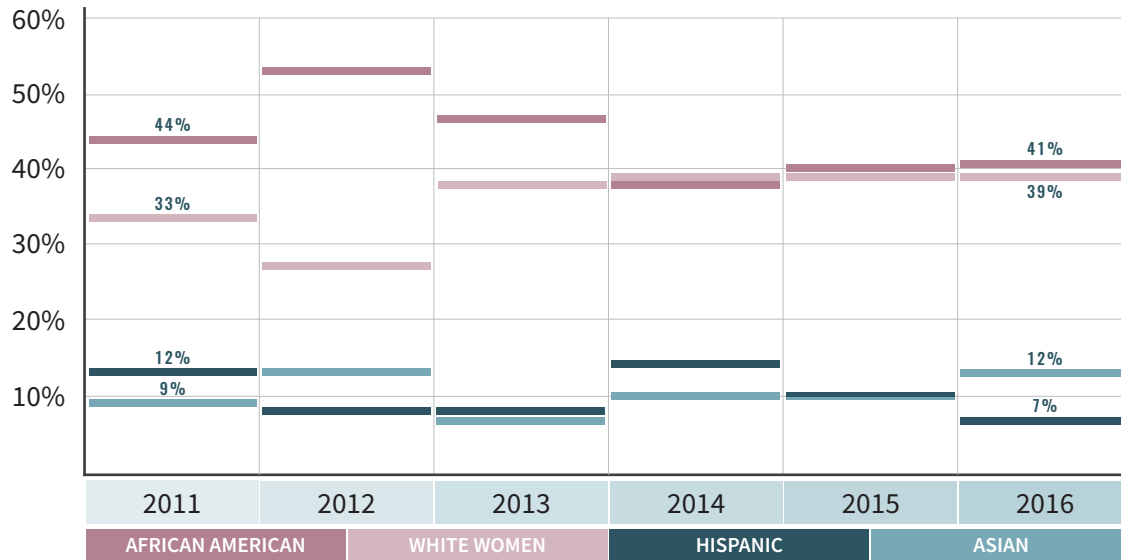


Figure 3
Percentage of City Contract Dollars Awarded to MWDSBEs by Race and Gender

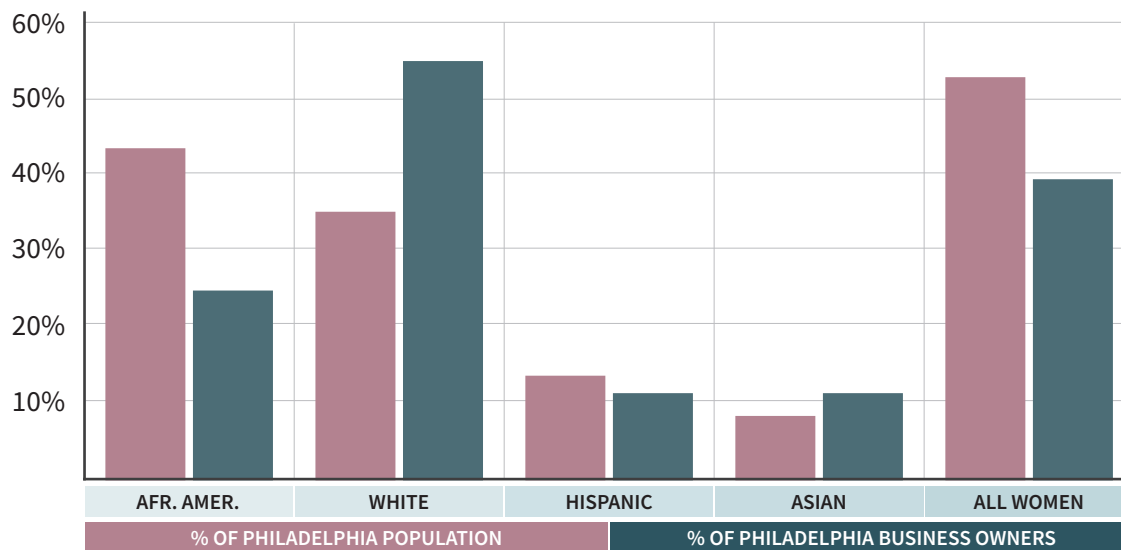
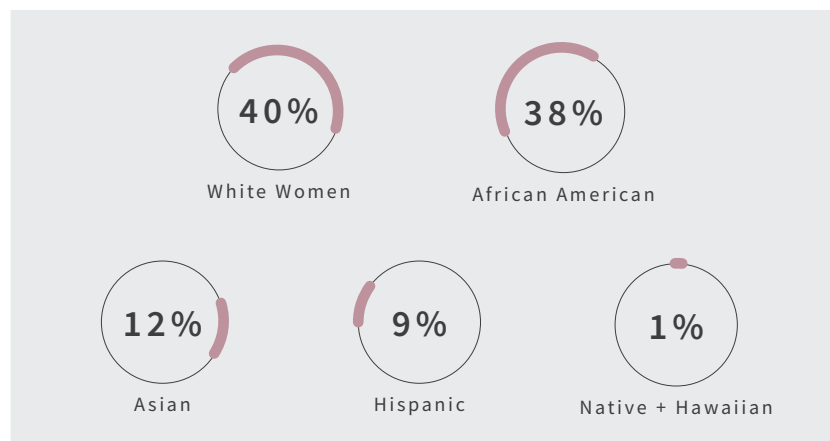


Figure 4
Population vs. Business Owners by Race

**OEO
REGISTRY
DEMOGRAPHICS**

(2,581 TOTAL CERTIFIED MWDSBEs)



PUBLIC WORKS (37% of Spending)

MWDSBE participation on Public Works contracts includes the performance of construction work, hauling, landscaping, and supply of building materials and equipment. Participation increased from \$56.4 million in 2015 to \$60.8 million in 2016. The rate remained at 25% due to an increase in total construction projects from \$226 million to \$241 million. It is also worth noting that a highly recognized minority-owned business with over \$1.6 million in City contracts was not included in the participation calculations due to their lack of interest in certification.

Participation goals for Public Works contracts are defined in the Economic Opportunity Plans (EOPs) submitted by contractors during the competitive bidding process. In September 2013, OEO released The Economic Opportunity Plan Review, its first report comparing EOPs vs. actual payments made to MWDSBEs for the period 2009 through 2013. This year the EOP Report will cover projects from FY09

through FY16 as an addendum to the Annual Participation Report.

PERSONAL AND PROFESSIONAL SERVICES (54% of Spending)

Personal and Professional Services (PPS) contracts continue to exceed inclusion goals. The City awarded \$347 million in eligible consulting contracts during FY16, i.e. contracts with an ample supply of MWDSBEs to compete in the market. MWDSBEs received \$135.1 million or 39% of the total contract value, an increase from 36% in FY14 and 33% in FY13. MBEs received \$83.6 million in contracts up from \$80.5 in FY15. WBEs received \$51.5 million in contracts, up from \$44.9 million booked in FY15.

While the OEO Registry has an abundance of consulting experts that provide a variety of services for all departments, there are some contract categories that have limited availability of MWDSBEs. These contracts include electric service supply, human services, and software licensing. To find the City's contracting opportunities, visit phila.gov/oao.

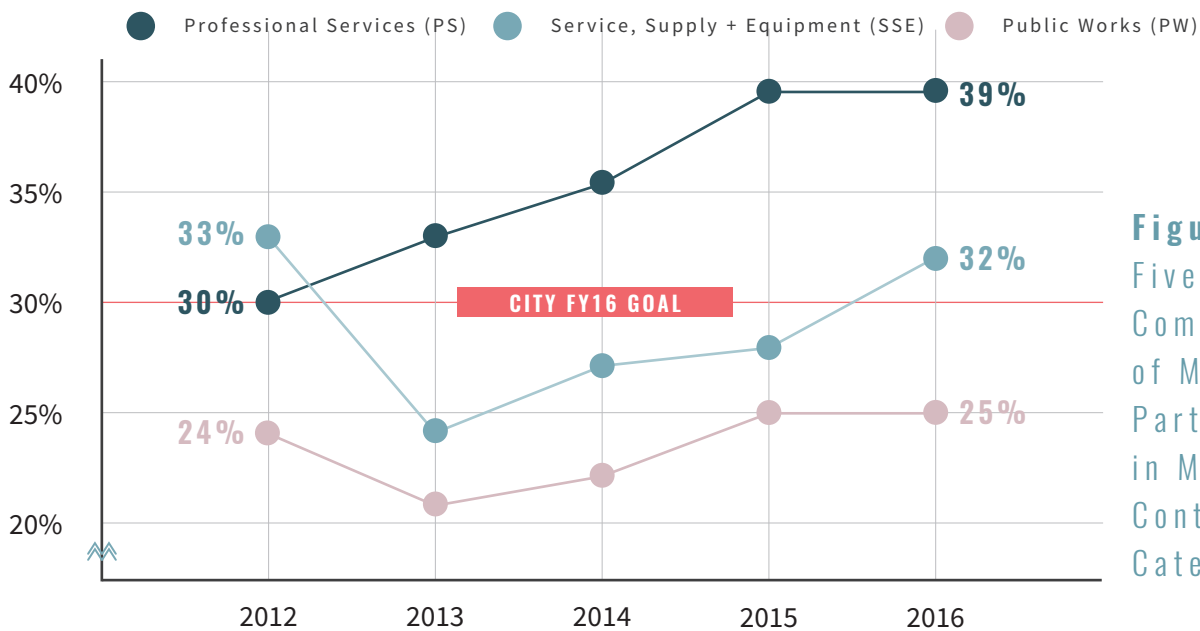


Figure 5
Five Year
Comparison
of MWDSBE
Participation
in Major
Contract
Categories

SERVICE, SUPPLY AND EQUIPMENT (7% of Spending)

MWDSBEs were awarded contracts totaling \$15.2 million or 32% participation for the year. The Streets Department's \$36 million trash hauling contract, which was the largest transaction in this category, generated \$14.6 million or 40% participation. \$4.7 million were awarded in markets where we have few or no available certified firms to provide the goods and services.

MWDSBE suppliers should register with OEO and complete an online application to be added to the Procurement Department's Bidders List for specific commodities and services. Eligible businesses can also register as a Local Business Entity (LBE) which earns a 5% preference when bidding for contracts over \$1 million and a 10% preference for contracts less than \$1 million. For more information, visit phila.gov/bidsonline

MISCELLANEOUS PURCHASE ORDERS AND SMALL ORDER PURCHASES (1% of Spending)

Miscellaneous Purchase Orders (MPOs) are Personal and Professional Services contracts valued at \$32,000 or less. Small Order Purchases (SOPs) are service, supplies and equipment contracts valued at \$32,000 or less. The operating departments manage a decentralized bidding and RFP process for these transactions. The City awarded \$1.6 million in MPO and SOP contracts to MWDSBEs in FY16 representing 25% and 9% participation, respectively.

While these small contracts only represent 2% of the City's annual expenditures, they provide an essential point of entry to government contracting for many small businesses.

CITYWIDE

Eligible Citywide contracts (not specific to any one City agency) valued at \$28.9 million provided \$3.5 million in contracting opportunities (12% participation) for MWDSBEs. Participation levels were flat with 12.7% in FY15. Citywide contracts require service support for multiple sites and/or departments. Eleven MWDSBEs won \$2.3 million in contracts as primes in this category in FY16. Typically, these contracts fall within markets where OEO has "few or no" certified suppliers in the OEO Registry.

Major contracts include: water treatment chemicals historically provided by manufacturers, asphalt products, and rock salt. Ineligible contracts that provided no or limited opportunity for participation were deducted from the participation calculation to more clearly define achievable participation for MWDSBEs.

RECOGNITION OF PARTNERS IN NON-MWDSBE PROFESSIONAL SERVICE FIRMS

Firms that drive diversity to the highest levels of management are acknowledged by OEO as exercising their best and good faith efforts. For reporting purposes, OEO recognizes professional services firms as achieving 100% participation when that firm has a minority or women partner responsible for the City of Philadelphia account. The City encourages the participation of these professional service firms (i.e. Legal, Accounting, Financial, Engineering, Architecture, etc.).

QUASI-PUBLIC AGENCY PARTICIPATION

Contracts awarded by Quasi-Public Agencies in FY16 totaled \$317.1 million, see Table 2.

The Philadelphia Industrial Development Corporation (PIDC) awarded \$28.9 million in FY16 with 28.9% MWDBSE participation. MWDBSEs should pursue these projects as prime contractors. Many are funded through grants and proposals.

The Philadelphia Housing and Development Corporation (PHDC) awarded \$49.8 million in contracts with 38.1% participation, and the Philadelphia Redevelopment Authority (PRA) reported \$238 million in contracting activity with 25.4% MWDBSE inclusion. These agencies awarded MWDBSEs a total of \$87.8 million representing 27.7% in overall participation.

CITY PROJECTS WITH FEDERAL FUNDING - DBE PARTICIPATION

Federally-Funded Projects in FY16 totaled \$109.3 million and

generated 13.1% in participation of Disadvantaged Business Enterprises (DBEs), See Table 3. The average goal set by federal agencies for this region is 14.9%. Federally-funded projects are reported separately when lower participation goals are set by the federal agency. The U.S. Department of Transportation (USDOT/PennDOT) funded contracts (i.e., FAA, FHWA and FTA funded contracts) are subject to 49 CFR Part 26 which establishes a single goal for the participation of DBEs, as those firms are defined in Section 26.5. In the instance of FHWA contracts, PennDOT establishes the contract goal for DBEs since the City of Philadelphia is a subrecipient to PennDOT.

For FAA-assisted contracts, the City's DBE Program Office and not OEO, establishes the DBE contract goal which is subject to federal guidelines. Likewise, contracts funded by the EPA do not contain a numeric goal but require the solicitation of DBEs. These federal programs do not permit the application of local requirements (i.e., Executive Order 03-12 or Chapter 17-1600 of the Philadelphia Code) to contracts receiving this express type of federal financial assistance.



AGENCY	FY15			FY16		
	TOTAL AWARDED (\$MM)	AWARDED TO MWDBEs	% AWARDED TO MWDBEs	TOTAL AWARDED (\$MM)	AWARDED TO MWDBEs	% AWARDED TO MWDBEs
PIDC	\$12.7	\$2.8	22.2%	\$28.9	\$8.3	28.9%
PHDC	\$47.1	\$19	40.3%	\$49.8	\$19	38.1%
PRA	\$259.1	\$68.2	26.3%	\$238.3	\$60.4	25.4%
TOTALS	\$318.9	\$90	28.2%	\$317	\$87.8	27.7%

Table 2
Quasi-Public
Government Agency
MWDBSE
Participation
Summary

DEPARTMENT	FY15			FY16		
	SPEND (\$MM)	DBEs (\$MM)	%	SPEND (\$MM)	DBEs (\$MM)	%
AVIATION	\$27.5	\$6.5	23.6%	\$98.4	\$13.4	13.6%
PUBLIC PROPERTY	\$6.6	-	-	\$2.7	-	-
STREETS	\$50.9	\$5.3	10.4%	\$8.2	\$1.0	12.0%
WATER	-	-	-	-	-	-
TOTALS	\$85	\$11.8	13.9%	\$109.3	\$14.4	13.1%

Table 3
Disadvantaged
Business Enterprise
Participation on
Federally-Funded
City Projects



City Department contracts, valued at \$645 million, achieved a 32.9% participation rate with MWDSBEs awarded \$212.6 million in contracts. In the adjacent table, department contract activity for FY16 has been adjusted for “No Opportunity Deductions” which reflect the lack of MWDSBEs in certain markets. The Departments are ranked according to the highest percentage of participation achieved for the fiscal year.

Out of 34 departments, 14 departments exceeded their departmental goal set during the FY16 Budget Hearings. Fifteen exceeded the City’s new goal of 30% participation adopted as of FY15. Nineteen departments exceeded the City’s historic 25% goal.

Noted fluctuations in departmental performance are driven by variances in products and services acquired, availability of MWDSBEs to respond to bids and requests for proposals and competitive market pressures – price, size of contract, bonding requirements, etc. OEO periodically will take a look at those components of the bids and RFPs that may inhibit MWDSBE participation objectives, and makes recommendations to bridge the gap.

TOP PARTICIPATING CITY DEPARTMENTS BY YEAR

FY16	1	PROCUREMENT
	2	COMMERCE
	3	PRISONS
	4	CITY PLANNING COMMISSION
	5	PUBLIC PROPERTY
	6	COMMUNITY EMPOWERMENT + OPPORTUNITY
	7	PROPERTY ASSESSMENT
	8	DEPARTMENT OF PUBLIC HEALTH
	9	HOUSING + COMMUNITY DEVELOPMENT
	10	MAYOR'S OFFICE
FY15	1	INSPECTOR GENERAL
	2	HOUSING + COMMUNITY DEVELOPMENT
	3	PUBLIC PROPERTY
	4	MAYOR'S OFFICE
	5	COMMUNITY SERVICES
	6	PROPERTY ASSESSMENT
	7	PRISONS
	8	COMMERCE
	9	LAW
	10	REVENUE

RANK	DEPARTMENT	TOTAL AVAIL. CONTRACT \$	NO OPPORTUNITY DEDUCTIONS ²	NET CONTRACTS	MWDSBE TOTAL	FY16 GOAL %	REVISED ACTUAL %
1	Procurement	\$8,301	-	\$8,301	\$8,300	10%	99.99%
2	Commerce	\$451,000	-	\$451,000	\$331,250	35%	73.45%
3	Prisons ¹	\$99,924,114	\$51,012,795	\$48,911,319	\$28,770,444	35%	58.82%
4	City Planning Commission	\$395,492	-	\$395,492	\$216,243	20%	54.68%
5	Department of Public Property	\$54,155,490	-	\$54,155,490	\$28,017,543	50%	51.74%
6	Mayor's Office of Comm. Empowerment + Opportunity	\$140,319	-	\$140,319	\$64,000	50%	45.61%
7	Property Assessment, Office of	\$503,878	-	\$503,878	\$228,378	65%	45.32%
8	Department of Public Health ²	\$7,889,248	\$2,436,507	\$5,452,740	\$2,405,000	30%	44.11%
9	Office of Housing & Community Development (OHCD)	\$192,822	-	\$192,822	\$72,500	40%	37.60%
10	Mayor's Office	\$1,094,000	-	\$1,094,000	\$390,000	40%	35.65%
11	Law Department	\$4,932,699	-	\$4,932,699	\$1,598,028	30%	32.40%
12	Streets	\$64,328,494	-	\$64,328,494	\$20,721,265	31%	32.21%
13	Director of Finance	\$15,828,849	-	\$15,828,849	\$4,792,539	35%	30.28%
14	Department of Human Services ³	\$43,539,769	\$28,397,216	\$15,142,552	\$4,564,710	30%	30.14%
15	Water Department ⁴	\$247,583,737	\$6,894,809	\$240,688,928	\$72,423,616	30%	30.09%
16	Aviation	\$89,124,983	\$339,351	\$88,785,632	\$25,915,795	30%	29.19%
17	Office of Supportive Housing (OSH)	\$4,390,705	-	\$4,390,705	\$1,216,353	30%	27.70%
18	Office of Innovation & Technology	\$32,870,290	\$6,011,354	\$26,858,936	\$7,051,856	25%	26.26%
19	Revenue	\$23,405,477	\$210,536	\$23,194,940	\$5,954,900	45%	25.67%
20	Department of License and Inspections	\$10,203,981	-	\$10,203,981	\$2,512,088	30%	24.62%
21	Parks & Recreation	\$1,655,919	-	\$1,655,919	\$347,621	25%	20.99%
22	City Treasurer	\$2,844,125	-	\$2,844,125	\$618,547	30%	21.75%
23	Records	\$2,371,569	-	\$2,371,569	\$458,040	25%	19.31%
24	Fire	\$4,616,783	-	\$4,616,783	\$870,800	15%	18.86%
25	Managing Director's Office ⁵	\$70,519,473	\$70,000,000	\$519,473	\$55,099	25%	10.61%
26	Behavioral Health/Intellectual Disability Services	\$14,780,118	-	\$14,780,118	\$2,050,121	10%	13.87%
27	Free Library	\$3,360,402	\$1,054,700	\$2,305,702	\$277,659	20%	12.04%
28	Office of the Inspector General	\$90,330	-	\$90,330	\$10,000	30%	11.07%
29	Police	\$3,045,712	\$577,000	\$2,468,712	\$196,164	8%	7.95%
30	Personnel	\$5,229,043	-	\$5,229,043	\$400,000	20%	7.65%
31	Fleet Management	\$2,213,839	\$45,603	\$2,168,236	\$58,149	5%	2.68%
32	Board of Pensions and Retirement	\$637,800	-	\$637,800	\$5,000	15%	0.78%
33	Office of the City Representative	\$468,691	\$431,309	\$37,382	-	80%	0.00%
34	Office of Arts & Culture	\$15,000	--	\$15,000	-	15%	0.00%
35-42	Mayor's Office of Transportation and Utilities, Board of Ethics, Civil Service Commission, Human Relations Commission, Labor Relations, Sinking Fund Commission, Youth Commission, First Judicial District of PA	-	-	-	-	0%	0.00%
		\$812,812,463	\$167,411,183	645,401,281	\$212,602,017	32.94%	
CITY WIDE⁶ (SSE)		\$72,565,072	\$43,684,348	\$28,880,723	\$3,462,062	11.99%	
CITY TOTAL		\$885,377,535	\$211,095,531	\$674,282,004	\$216,064,079	32.04%	

(1) PPS: Inmate or alternate housing \$12.7mm and personnel costs \$38.3mm

(2) SSE: Medical specialty services and technical services \$93mm; PPS: HIV AIDS medications \$1.3mm

(3) PPS: DHS court appointed \$24.9mm and DHS placement services \$3.4mm

(4) SSE: Water cleaning anaerobic digesters \$4.7mm; PPS: Measurements of tidal flow, physical performance evaluation, and 24-hour call center \$1.76mm

(5) PPS: Electric services \$70mm

(6) SSE: Rock salt \$4.8mm, water treatment chemicals \$18.4mm, pharmaceutical management, supplies and services \$7.9mm, and asphalt products \$7.2mm

An Economic Opportunity Plan (EOP) is an agreement between the City and a prime contractor or a project owner. This agreement establishes goal ranges for the meaningful participation of MWDSBEs on capital and construction projects, as well as some large City procurement contracts. An EOP is triggered if a City-owned project has a budget greater than \$100,000. EOPs are triggered for projects in the private and nonprofit sector if a construction project requires an action of City Council to proceed, or is receiving public funding. The Office of Economic Opportunity drafts and oversees these agreements, both on City business and certain private sector projects.

Since the advent of EOPs in 2007, 863 agreements have been signed and executed, representing over \$10 billion in project value. Closed City projects have achieved 26% participation of MWDSBEs, while closed projects in the private sector stand at 32%. Minority, women, and disabled-owned businesses have earned over \$1.35 billion on projects governed by EOPs.

In 2015, the Office of Economic Opportunity was tasked with reporting on workforce diversity on City projects. OEO compiled data from the Labor Standard Unit's LCP Tracker system, which was subsequently used to set targeted goals based on race and ethnicity. OEO will continue to do this and report out each year on the previous fiscal year's data. Starting in 2017, the Labor Standards Unit will also provide oversight and enforcement for workforce diversity on City-owned projects.

AMOUNT PAID TO MWBE FIRMS ON EOP PROJECT FROM FY09-FY16

\$213,965,584
CITY-OWNED

\$106,524,600
QUASI-PUBLIC

\$1,030,834,760
PRIVATE/NONPROFIT

\$1,351,324,944
TOTAL

Table 4
FY16 EOP
Participation

CATEGORY	ACTIVE	CLOSED
AVIATION	17%	21%
PUBLIC PROPERTY	27%	27%
STREETS	22%	25%
WATER	26%	25%
NON-PUBLIC WORKS	28%	100%
TOTAL CITY AGREEMENTS	25%	26%
OHCD	19%	24%
PIDC	N/A	N/A
PRIVATE/NONPROFIT	19%	32%

Table 5
EOP
Agreements

CATEGORY	ACTIVE	CLOSED	PLANNING	CANCELLED	TOTAL
AVIATION	25	26	10	0	61
PUBLIC PROPERTY	70	119	0	0	189
STREETS	16	36	7	0	59
WATER	125	101	40	0	266
NON-PUBLIC WORKS	10	0	0	0	10
TOTAL CITY AGREEMENTS	246	282	57	0	585
OHCD	21	100	17	0	138
PIDC	1	14	6	0	21
PRIVATE/NONPROFIT	36	52	23	8	119
TOTAL AGREEMENTS	304	448	103	8	863

Table 6
EOP
Participation

DEMOGRAPHIC	AVIATION		PUBLIC PROPERTY		STREETS		WATER	
	SKILLED	LABOR	SKILLED	LABOR	SKILLED	LABOR	SKILLED	LABOR
AFRICAN-AMERICAN	9%	20%	6%	25%	16%	24%	10%	18%
HISPANIC	8%	11%	4%	12%	4%	30%	10%	36%
ASIAN	0%	1%	0%	0%	0%	0%	0%	1%
NATIVE AMERICAN	2%	0%	0%	2%	0%	0%	0%	0%
OTHER	0%	0%	0%	0%	0%	2%	0%	0%
FEMALE	0%	0%	0%	1%	3%	1%	0%	1%
TOTAL HOURS	138,047	51,384	55,278	13,612	101,639	75,531	203,227	209,128

When the Labor Standards Unit collects its data, not all workers report their race and ethnicity. The above chart summarizes the race and ethnicity data for workers, and omits the hours that were not reported upon. Details of the hours that were omitted can be found in the appendix.



AT A GLANCE

OVER 1,500
PARTICIPANTS

40+ EVENTS
CITY-WIDE

OVER 20
ORGANIZATIONAL
PARTNERS

32ND ANNUAL MED WEEK

For 32 years, Philadelphia has joined leaders from local, regional and national organizations to put a spotlight on the important role minority business leaders and enterprises have contributed to the local and national economy. The 42 events, workshops and information sessions held over two weeks were created specifically to give enterprises more information about contracts and resources that will help them scale their businesses. We sincerely thank each and every partner and committee member for making this the best med-week yet!

*List of MED week committee members can be found in the appendix



“Our Nation has always drawn strength from the diversity of our people, and no matter who you are, what you look like, or where you come from, America is a place where everyone deserves a chance to get ahead.

This week, we must continue working to support minority enterprises and all entrepreneurs -- and ensure that by expanding access to the networks, capital, and opportunities required to build a business, everybody can have a fair shot at reaching their piece of the American dream.”

- PRESIDENT BARACK OBAMA

Chapter 17-104 of the Philadelphia Code, entitled "Prerequisites to the Execution of City Contracts, was amended in September 2013 to require contractors seeking to do business with the City to disclose:

- i. The current percentage of female executive officers in the company and percentage of females on the company's full boards
- ii. The company's aspirational goals for the inclusion of females in executive positions and on the executive and full boards
- iii. The intended efforts by the contractor to achieve aspirational goals

In summary, 314 companies submitted bids to the Procurement Department during Fiscal Year 2016. Of the bids reviewed, the following observations were made:

- Of 95 businesses awarded Public Works contracts, 79% reported women as members of their executive staff and/or board of directors (See Table 7)
- Of the 219 businesses awarded Service, Supply and Equipment contracts, 37% reported women as members of the executive staff and/or board of directors (See Table 8)

FUTURE ASPIRATIONS

Data presented by businesses suggests that there is desire to increase women representation. Of the 95 businesses awarded Public Works contracts, 77% identified aspirational goals. With regard to the 219 businesses that were awarded Service, Supply and Equipment contracts an aspirational goal of 19 % was indicated. Although goals were identified, no specific inclusion strategies were identified. Inconsistencies were also noted for businesses submitting multiple bids suggesting that women may be brought on boards or staff for time-limited projects.

GOING FORWARD

OEO's review and subsequent findings presents an opportunity for dialogue with stakeholders regarding strategies to address:

- Bidder's unresponsiveness regarding the identification of efforts to achieve stated inclusion goals
- Perceived and/or actual barriers for inclusion within the Service, Supply and Equipment industries
- Accuracy/clarity of bid information
- Periodic "check in" to see if businesses have achieved stated goals



Table 7
FY16
Public Works
Vendor Metrics

METRIC	#	%
WOMEN ON BOARDS OF DIRECTORS	44	46%
WOMEN ON EXECUTIVE STAFF	31	33%
WOMEN ON BOARDS + EXECUTIVE STAFF	75	79%
CONTRACTORS W/GOAL TO INCREASE WOMEN ON BOARDS	44	46%
CONTRACTORS W/GOAL TO INCREASE WOMEN ON EXEC. STAFF	32	34%
CONTRACTORS W/GOAL TO INCREASE WOMEN ON BOARDS OR EXEC STAFF	73	77%
SUPPLIERS	95	-

Table 8
FY16
Service, Supply
+ Equipment
Vendor Metrics

METRIC	#	%
BID OPPORTUNITIES REVIEWED	168	-
WOMEN ON BOARDS OF DIRECTORS	92	42%
WOMEN ON EXECUTIVE STAFF	84	38%
WOMEN ON BOARDS + EXECUTIVE STAFF	82	37%
CONTRACTORS W/GOAL TO INCREASE # OF WOMEN	41	19%
CONTRACTORS REPORTING NO WOMEN ON BOARDS OR STAFF	53	24%
SUPPLIERS	219	-



Maintaining a thriving and accessible business environment for MWDSBEs who want to do business with The City of Philadelphia requires realigning and recommitting resources and expertise.

A brief look backwards shows significant progress since 2008 within City/Quasi/Federal contracting, with MWDSBEs consistently climbing from \$169.4 billion in FY08 to \$318.3 billion in FY16, totaling over \$2 billion in contracts. While we are pleased with this type of progress, we are well aware that further advances are needed to attract more local small businesses to scalable opportunity.

To that end, OEO leadership has consulted with a cross-section of over 75 small business owners, government officials, private sector and non-profit leaders to have them share their insights and ideas about ways we can do more.

Five strategic priorities emerged consistently and will drive our work over the next three years. They are described in greater detail on the following page.

FIVE STRATEGIC PRIORITIES FOR THE NEXT THREE YEARS

1 **ENHANCED MONITORING**

Enhanced Monitoring and reporting with increased transparency. This by far emerged as a critical priority. Highlighting progress and outcomes and making that information readily available and accessible.

2 **FOCUSED ATTENTION**

Focused attention on selection and training of OEO Officers. Insuring that each and every city department has an appropriately assigned and trained OEO officer is key to becoming more inclusive and more transparent.

3 **BUILD CAPACITY**

Capacity Building to increase availability and usage of MWDSBE firms. Create more opportunities for existing firms to grow, while building a pipeline of new companies who are ready and equipped to do business.

4 **GROW THE MARKET**

Strategically grow the registry with local businesses based in Philadelphia. Coordinate and facilitate convening of Certification Agencies

5 **CREATE A PIPELINE**

Create the OEO Pipeline Registry to support and utilize MWBE firms who are not yet able to be certified yet are qualified and capable of doing business on smaller city projects.

ADVANCED PURCHASING INVENTORY CONTROL SYSTEM (ADPICS)

Citywide procurement system that automates the procurement process for bid contracts from purchase order to final payment.

AUTOMATED CONTRACT INFORMATION SYSTEM (ACIS)

Centralized repository of personal and professional service no-bid contract documents, contract opportunities, programmatic and fiscal information, status tracking information and management reports.

BID BONDS

A form of bid security required by law for Public Works bids and demolition bids. Each bid must be accompanied by a bid bond on the City's bond form in the amount of 10% of the gross amount of the bid.

CERTIFIABLE BUSINESSES

Minority and/or women owned firms that are not yet certified by an approved certifying agency or registered with the Office of Economic Opportunity.

CITY-WIDE SERVICE, SUPPLY AND EQUIPMENT (SSE)

The Procurement Department generally determines that an SSE contract should be a citywide contract when multiple departments are consistently using the same product or service.

DBE

Qualified Disadvantaged Business Enterprise as defined under Chapter 17-1501(8) of the Philadelphia Code: (a) A Small Business Enterprise which is at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals; or (b) A business (other than a Small Business Enterprise) in which at least fifty one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; provided, however, that any such business that has received more than seventeen million dollars (\$17,000,000) in three consecutive years of contract work from the City shall not be considered a DBE, unless it can show that, as a result

of prejudice or differential treatment based on the socially and economically disadvantaged status of its ownership, its ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business who have not been subject to such prejudice or differential treatment. (c) A business certified by a government agency as a qualified minority, women, disabled or disadvantaged business.

EOP PROJECT STATUS

Refers to the stage a project is in:

- **ACTIVE** - payments are still being made on the project
- **CLOSED** - all payments have been made on the project
- **EOP DRAFTING** - OEO is in the process of developing an EOP for the project
- **PLANNING** - an EOP has been developed, but payments have not yet been made on the project
- **CANCELLED** - the project started and payments were made, but at some point the project was discontinued
- **NOT YET AWARDED** - an EOP has been developed, but the bid has not yet been awarded; this status typically occurs on City projects

EOP MARKET SEGMENT

Refers to the City department or quasi-public agency that owns the project, or whether the project is private/nonprofit.

FEW OR NO MWDSBES CONTRACTS

A class of contracts which have few or no minority, woman, or disabled owned businesses in the OEO registry available to provide specific products and/or services (e.g. electric service, water treatment chemicals, sole source commodities/services, human resource, etc.)

FINANCIAL AND ACCOUNTING MANAGEMENT INFORMATION SYSTEM (FAMIS)

The City's centralized electronic accounting system for maintaining payment processing and financial activity.

MINORITY, WOMEN OR DISABLED BUSINESS ENTERPRISE (MWDSBE)

A minority, women or disabled-owned for-profit business enterprise that is registered by OEO and certified by a

recognized certifying agency (and as further defined by Executive Order 03-12 and applicable law under the Philadelphia Code)

MISCELLANEOUS PURCHASE ORDERS (MPOS)

Contractual agreements for personal and professional services valued at or below \$32,000 (sometimes referred to as informal contracts). Departments issue notices of opportunities and conduct their own selection process for these contracts.

PERFORMANCE BONDS

For Public Works contracts, bonds must be posted by the successful contractor equivalent to 100% of the contract to be executed by an approved surety company.

PERFORMANCE SECURITY

For Service, Supply and Equipment contracts depend on the type of bid and dollar amount involved. For those contracts over \$30,000 and under \$500,000, the awarded vendor is required to pay a performance bond fee based on the total amount of the contract award. For contracts over \$500,000 and all demolition contracts, the vendor must post an individual performance bond on the City's bond form equivalent to 100% of the contract to be executed by a surety company approved by the City.

PERSONAL AND PROFESSIONAL SERVICES (PPS)

Contracting opportunities for services that are not subject to competitive bidding requirements such as general consulting, legal, engineering, architectural design, public health, social services and other professional services. These contracts are issued by City Departments and awarded pursuant to the requirements under Chapter 17-1400 of the Philadelphia Code. Accordingly, PPS opportunities are posted on the eContract Philly website (<https://secure.phila.gov/eContract/>).

PROJECT TYPES:

- **CITY** - Any of the four major operating departments (Aviation, Public Property, Streets, and Water) or citywide procurement projects from other departments
- **PRIVATE/NONPROFIT** - Projects in the private or

nonprofit sector that meet the criteria to trigger an EOP

- **QUASI PUBLIC** - Projects that are administered by agencies which function in both the public and private segments (such as the Philadelphia Industrial Development Corporation)

PUBLIC WORKS (PW)

Contracting opportunities in construction, reconstruction, alteration, repair and/or the improvement of City owned properties, including land, buildings, streets, bridges, highways or sewers. Contracts are subject to competitive bidding requirements.

SERVICE, SUPPLY AND EQUIPMENT (SS&E)

Contracting opportunities for services, supplies, equipment, and demolitions which are subject to competitive bidding requirements.

SMALL ORDER PURCHASES (SOPs)

Informal request for quotations for fiscal year purchases between \$500 and \$32,000 for Services (other than repairs), Supplies and Equipment. Operating departments directly solicit for these purchases and obtain competitive quotations.

SOLE PRACTITIONER

A certifiable, service delivery business comprised of one individual who is authenticated by the City Department receiving the service (e.g. doctors, counselors, caregivers, etc).

SPECIAL PROCUREMENT EVALUATION ENHANCEMENT DATABASE (SPEED)

The information system that tracks bid awards, contracts and purchase orders for City of Philadelphia Public Works Projects. The system also tracks requisitions, bids, awards contracts and change orders for city departments requesting miscellaneous services, supplies and equipment.

