



Department of
Commerce

CITY OF PHILADELPHIA

OFFICE OF ECONOMIC OPPORTUNITY



**FISCAL
YEAR
2019**

**ANNUAL
REPORT**

July 1, 2018 - June 30, 2019

PURPOSE

The Office of Economic Opportunity respectfully submits this Annual Report in accordance with the Mayor's Executive Order 3-12, which states as follows:

"OEO shall provide an annual Participation Report to the Mayor and City Council on or before November 1st of each year, setting forth the dollar amount and percentage participation by M/WDSBEs on City Contracts..."



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MESSAGE FROM MAYOR KENNEY & THE DEPUTY DIRECTOR OF COMMERCE



Dear Philadelphians,

Our city is on the rise, with an economy that is stronger than it has been in decades. Philadelphia's diversity is one of the key drivers behind our recent achievements. The city's diverse population is an invaluable asset that strengthens our economy and presents unique opportunities for all. The success of diverse local businesses is innately linked to the overall success of Philadelphia's economy.

Together, we are honored to present the Office of Economic Opportunity's (OEO) Fiscal Year 2019 Annual Report. This is a special year because we're proud to announce that—for the first time since the goal was established five years ago—we exceeded 35 percent participation of minority-, women-, and disabled-owned businesses (M/W/DSBEs) on City contracts. In Fiscal Year 2019, the City committed 36 percent of its for-profit spend with diverse businesses. When we established that goal, we knew it would take time, but with dedication and determination, the City has succeeded in reaching this important milestone.

Fiscal Year 2019 was a banner year for OEO; and we're proud of the office's hardworking staff, as well as the various City departments and partner organizations, who helped the City exceed its goal. By explicitly focusing on ensuring that tax dollars are invested in a diverse set of businesses, we ensure greater equity in the way the City of Philadelphia does business—working with more firms that reflect the diverse population we serve.

Though we've reached our 35 percent participation goal for City contracts, the important mission of OEO continues and the work remains. This past year serves as a reminder of the success we can achieve when organizations—public and private—work together. In addition to exceeding our participation goal, OEO also played a role in:

- Growing the OEO registry of M/W/DSBE businesses, with 280 new firms added.
- Evaluating vendor performance so the City can make more informed decisions about future contracts.
- Collaborating with the Office of the Inspector General and Office of the Controller to address abuse by vendors, debarring three vendors last year.
- Helping set the City's holistic approach to economic equity.

With this work and more, OEO is helping to increase transparency, inclusion, and equity for the businesses that choose to provide products and services to the City. Each day, we are working to significantly move the needle even further for diverse businesses.

OEO's efforts have increasingly been recognized, both locally and nationally. Three cities sought advice on organizing their own version of Minority Enterprise Development (MED) Week, which we've held for 35 years. In November, OEO will be honored by the Women's Transportation Seminar (WTS) for its efforts supporting minority businesses through MED Week.

It has always been a priority of this administration to increase diversity in the contracts that are awarded using public funds; and we look forward to helping minority-, women-, and disabled-owned businesses thrive in Philadelphia in the months and years ahead. Thank you for your dedication to creating more equitable economic opportunities for all in our great city.

Jim Kenney
Mayor
City of Philadelphia

Iola S. Harper
Deputy Director of Commerce
Office of Economic Opportunity

WHO WE ARE



Philadelphia is the birthplace of America and has a history steeped in culture, ingenuity, and diversity. The city is a melting pot of different backgrounds, traditions, and cultures. Philadelphia is the largest city in the Commonwealth of Pennsylvania, the second largest city on the East Coast, and the sixth most populous city in the United States.

Philadelphia is the economic and cultural center of a metropolitan region that spans four states and more than a dozen counties. It is a majority-minority city: According to the Census Bureau's 2017 estimates, the racial composition of Philadelphia is 41.3 percent Black or African American (non-Hispanic), 34.9 percent White (non-Hispanic), 14.1 percent Hispanic or Latino (of any race), 7.1 percent Asian, 0.4 percent Native Americans, 0.1 percent Pacific Islanders, and 2.8 percent multiracial. While the city's diversity is widely considered a strength, stark disparities persist among these demographics. Acknowledging this challenge, the Kenney Administration recently released an inclusive growth strategy with the goal of building a dynamic, diverse city with a thriving economy that benefits all of its residents. The work of OEO is central to this goal.

The municipal government of the City of Philadelphia (the City) has a workforce of 30,000 and spends approximately four billion dollars a year on goods

and services across 48 departments. The City's goal is to spend 35 percent of those dollars with minority-, women-, and disabled-owned businesses (M/W/DSBEs). The Office of Economic Opportunity (OEO) is tasked with ensuring equity and inclusion of M/W/DSBEs in the City's contracting opportunities.

OEO does this through:

- Registering minority, women, and disabled-owned businesses.
- Reviewing and monitoring contracts.
- Providing oversight on large contracts.
- Creating alliances within the City government and beyond.
- Problem solving with, advocating for, and supporting diverse businesses across the region.

Our partners include:

- City of Philadelphia departments.
- Quasi-public agencies.
- Private firms.
- Nonprofits.
- Third-party certification agencies.
- Majority prime contractors.
- Local developers.

OEO MISSION

The Office of Economic Opportunity promotes the economic development of M/W/DSBEs through its registration program, contract review and monitoring activities, and ongoing interaction with other City departments, quasi-public agencies, and the local marketplace.

OEO operates under executive order 3-12: The City's regulation that governs the Minority Business Enterprise (MBE), Women Business Enterprise (WBE), and Disabled Business Enterprise (DSBE) Program.

Our Approach

Advocacy

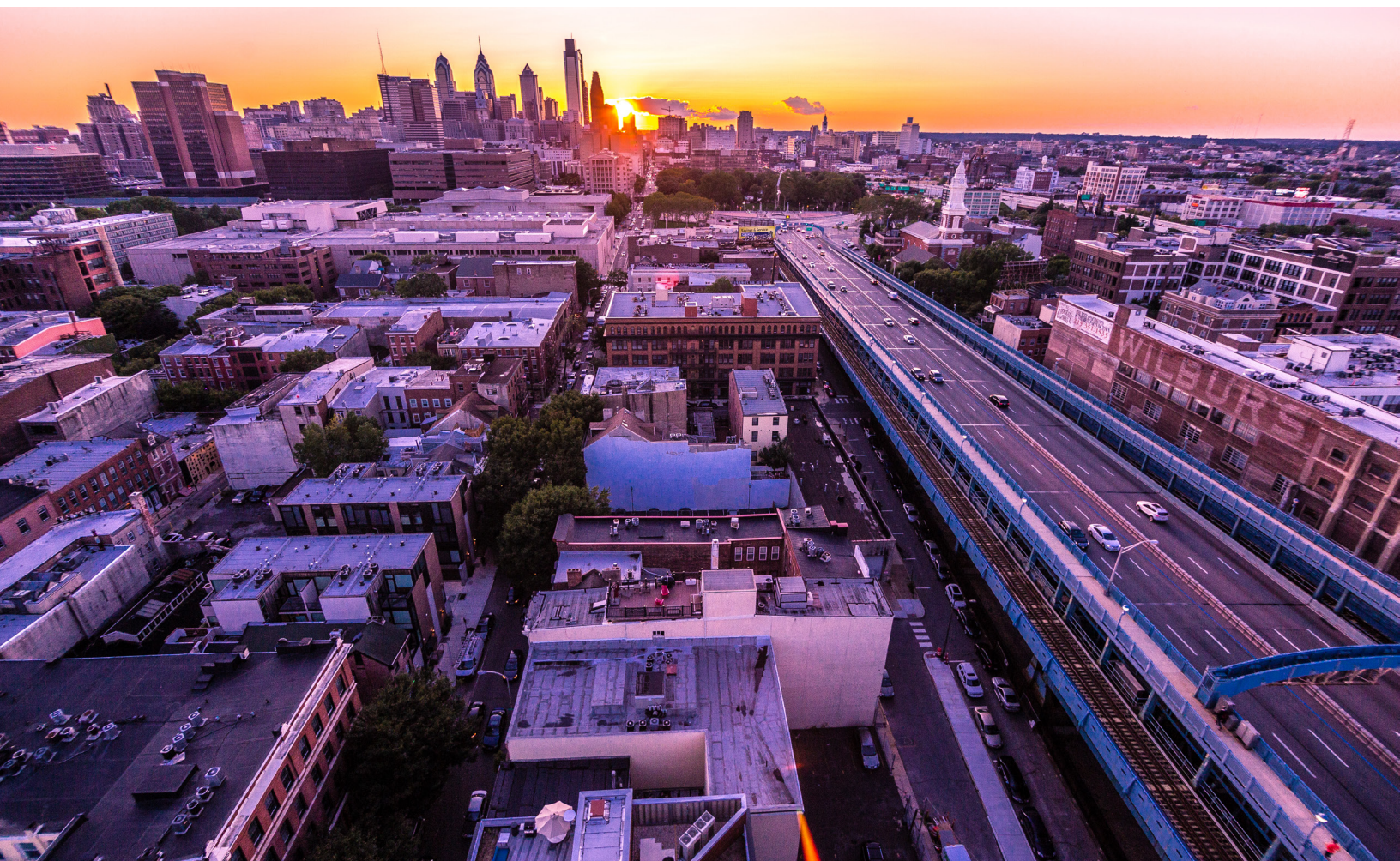
Equity

Compliance

Outreach

Supplier
Development

Transparency



Making Philadelphia a dynamic, diverse city with a thriving economy that benefits all of its residents – in every zip code and from every background.

EXECUTIVE SUMMARY

This Annual Report illustrates the progress the City has made in M/W/DSBE utilization during Fiscal Year 2019 (FY 2019). It describes specific steps that OEO, in partnership with stakeholders, has taken and highlights successes using data across six major contracting categories: Public Works (PW), Service, Supplies, and Equipment (SSE), Personal & Professional Services (PPS), Miscellaneous Purchase Orders (MPO), Small Order Purchases (SOP), and City-wide SSE. This report also describes how OEO is continually implementing and refining strategic initiatives to increase the participation of minority-, women-, and disabled-owned business enterprises in the City's contracting.

Minority, Women, and Disabled Business Enterprise Participation

The City of Philadelphia and quasi-public agencies maintained strong utilization of M/W/DSBEs in Fiscal Year 2019 and increased overall participation. In City-only contracting, diverse business enterprises received 36.02 percent—or approximately \$254 million—of contract dollars. When contracts with quasi-public agencies are included, diverse business enterprises earned a total of 31.3 percent—or 600.7 million dollars—of all contracting. The 31.3 percent marks an increase of M/W/DSBE participation when compared to Fiscal Year 2018, when diverse business enterprises received 30.50 percent—or approximately \$440 million—of all contracting, City and quasi-public included. These results, which trend towards the City's five-year goal of 35 percent M/W/DSBE participation, were driven by key departments such as Water, Aviation, Streets, Public Property, and Prisons. OEO's focus on and partnership with these departments was key to their successes.

The City is committed to the growth, utilization, and success of M/W/DSBE firms through the efforts of the Office of Economic Opportunity. In FY 2019, the combined City and quasi-public utilization was \$600.7 million, an increase of over \$160 million from FY 2018 (\$439 million). Much of this increase was the result of an increase in the quasi-public agencies' contract commitments as there were fewer total dollars available in FY 2019 for City-only contracting. Despite a reduction in overall spend, City-only utilization experienced a notable increase of 2.85 percent, going from 33.17 percent in FY 2018 to 36.02 percent

FIGURE 1:
FY 18 vs. FY 19 City Only M/W/DSBE Total Contract Participation

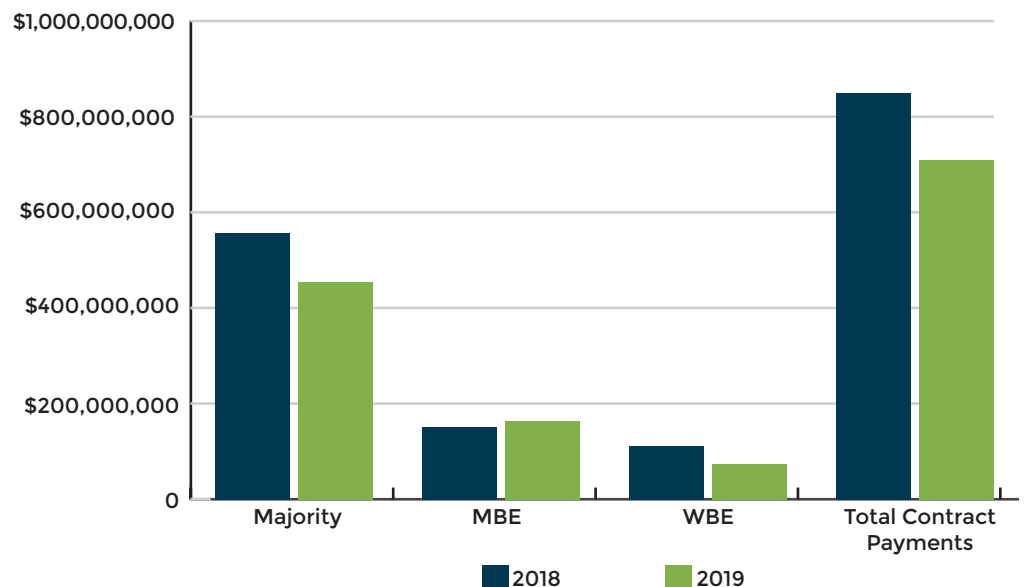
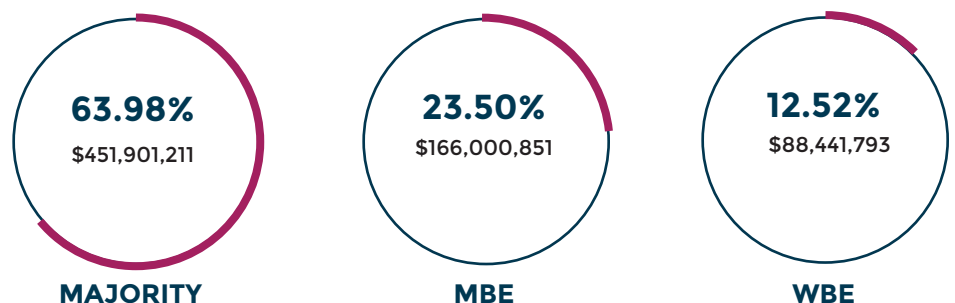


FIGURE 2:
FY 19 City Only Contract Participation



EXECUTIVE SUMMARY

in FY 2019. In the quasi-public sector, total dollars available increased, and OEO also increased participation by 1.80 percent. These increases demonstrate OEO's commitment to increasing participation in its capacity to be as an effective advocate is possible across all categories.

OEO's efforts helped drive an increase in four of the six major contracting categories (all categories can be found in the Executive Summary). The biggest increase came in the largest contracting category: Personal and Professional Services (PPS). The PPS participation increased 8.50 percent, or more than \$12 million. OEO works hard to yield this level of increased M/W/DSBE utilization for all contracting categories.

FIGURE 3:
FY 18 vs. FY 19 City and Quasi-Public M/W/DSBE Total Contract Participation

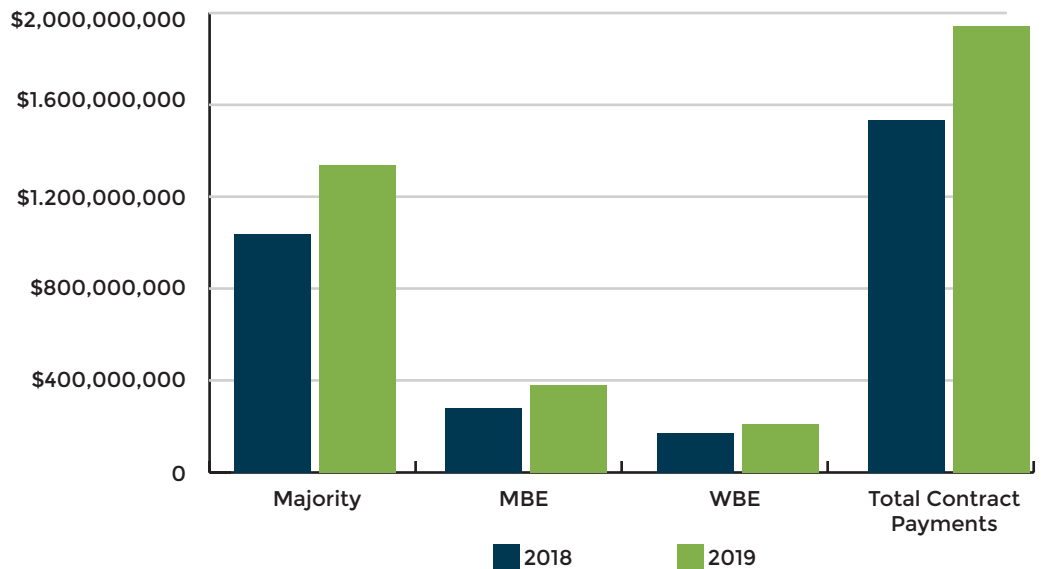
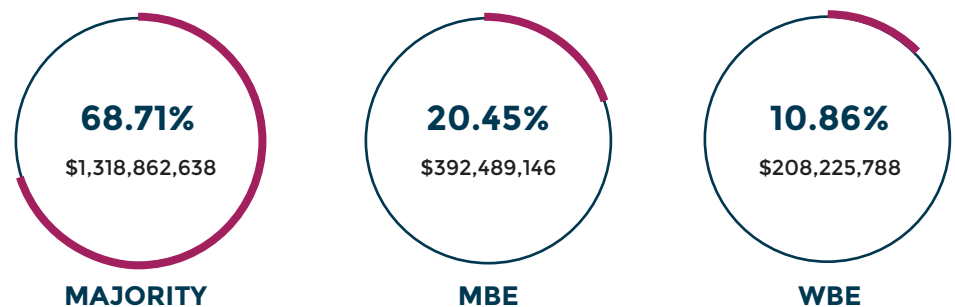


FIGURE 4:
FY 19 City and Quasi-Public Contract Participation



OEO Compliance Hotline

In October 2018, the OEO Compliance Hotline was launched, providing an anonymous and formal vehicle for contracting issues. Stakeholders can use the OEO Compliance Hotline to report the following matters on City-funded contracts and private and public EOP projects:

- Fraud
- Waste
- Abuse
- Non-compliance
- Other project-specific issues

OEO Compliance Hotline:
(215) 683-1798

In its first year, the OEO Hotline received more than 40 calls. Tips from calls have helped OEO ensure subcontractors receive payment, allowed OEO to intervene on projects where contractors were being treated unfairly, and led to investigations of potentially fraudulent actions. The OEO Hotline was created for these very issues, and stakeholders are encouraged to continue to report on pressing issues without fear of retribution.

EXECUTIVE SUMMARY

OEO Registry and Outreach

OEO continues to cultivate and expand relationships with the growing business community, professional organizations, and trade groups. The office's outreach efforts help to elevate, enable, and empower local diverse businesses by supporting capacity building; increasing access to capital; improving creditworthiness; helping entrepreneurs become more technologically savvy; and advocating for the adoption of practical business administration skills.

These efforts include:

- Hosting, attending, and participating in more than 43 outreach events, including business networking and procurement fairs, trade shows, business matchmaking, and skills clinics.
- Eight "Doing Business with the City" workshops conducted by the OEO registration team and featuring contracting opportunities with City departments.
- Registering 280 new diverse businesses in the OEO Registry, reaching a total of 3,115 M/W/DSBEs registered—a 5 percent increase from the previous year.
- Removing 216 businesses from the registry that were no longer valid.
- Organizing the 35th Annual Minority Enterprise Development (MED) Week with 40-plus agencies coordinating with the City and welcoming at least 2,000 attendees to 40 events.

OEO targets its outreach to address the long-term economic health and well-being of the city's diverse businesses and develop a vendor pool that is diverse, highly competent, capable, and financially stable. OEO is building capacity of vendors and suppliers to not only meet the City's contracting needs, but also the needs of the broader marketplace.

OEO works with stakeholders to encourage the maximization of M/W/DSBE utilization in all sectors and categories of the City's vendor supply chain. The office envisions these diverse firms moving from sub to prime contracting opportunities, from smaller value contracts with single departments to larger, multi-year engagements.



INTERNAL EFFORTS



OEO consistently refines, evaluates and implements progressive practices that reinforce the City's commitment to utilize M/W/DSBE firms in all its contracting. It is through cross-functional and cross-departmental teams that OEO is making strides in elevating equity. To ensure the successful engagement of M/W/DSBE firms, the environment must be amenable to the utilization of diverse and local businesses. The following are some of the internal steps taken that build upon previous efforts:

Rebuild: An opportunity for minority businesses

Rebuild—a signature initiative from Mayor Jim Kenney—is investing hundreds of millions of dollars to revitalize neighborhood parks, recreation centers, and libraries across Philadelphia. Made possible by the Philadelphia Beverage tax, Rebuild seeks to revitalize community spaces, engage and empower communities, and promote diversity and economic opportunity. This investment is a chance to connect historically underserved and underrepresented minority- or women-owned businesses with contracting opportunities on Rebuild projects. To help realize this opportunity, Rebuild is maximizing the diversity of businesses that benefit from its investment by doing the following:

1. Rebuild conducts regular outreach to Philadelphia businesses to increase awareness of new contract opportunities available and launched a portal on the Rebuild website that creates a centralized place where all Rebuild contract opportunities can be found.
2. Rebuild holds regular networking events to connect minority- or women-owned businesses to the nonprofit partners, City agencies, and general contractors delivering Rebuild projects.
3. In partnership with OEO, Rebuild launched the Emerging Vendors Program (EVP), which allows minority- and women-owned firms that are not certified to count towards overall participation goals on Rebuild projects (up to \$150,000) while they work to gain certification. The firms also have access to technical assistance to help them through the certification process.

4. Rebuild has launched the Rebuild Ready Business Support Program to help smaller minority- and women-owned businesses become more competitive for work on Rebuild projects, including help with bidding, taxes, insurance, bonding, accounting, and access to loans.

Overall contract participation goals are established in the Rebuild Ordinance. The goals for professional services contracts are 25-30 percent MBE and 15-20 percent WBE. The Ordinance also establishes goals for construction contracts at 30-35 percent MBE and 15-20 percent WBE. Commitments for contracts awarded by Rebuild continue to meet or exceed the program's goals.

Including nonprofit data in OEO reporting

In the past, OEO has not reported the participation on nonprofit contracting dollars because the structure of nonprofits does easily capture minority- or women-ownership. However, there are other ways to capture M/W/DSBE participation in nonprofits, including through the composition of the Board of Directors, senior leadership, and staff. Further, some City departments that work extensively with nonprofits—for example, the Department of Public Health and Department of Human Services—have significant M/W/DSBE participation on nonprofit contracts, representing millions of dollars of spend. OEO is collaborating with these departments to develop a system to capture and report on this participation. The nonprofit agency will report its participation to the contracting department, which will then report these numbers to OEO for verification. These nonprofit participation numbers will be reported in the FY 2020 Annual Report and will provide a more comprehensive look at M/W/DSBE participation in contract dollars.

INTERNAL EFFORTS

“Addressing abuse promptly sends a strong message to businesses and contractors.”

- Iola Harper, Deputy Director of Commerce, Office of Economic Opportunity

Mentor Protégé Program

After conducting research and authoring a white paper on the subject, OEO determined that mentor-protégé programs present an excellent path for smaller, diverse businesses to grow, gain experience, and develop valuable industry connections. OEO researched successful programs from cities across the country that use this approach and networked with their administrators to develop a similar program in Philadelphia. Prime and subcontractors are being interviewed to determine the needs of local firms, and a framework for a new program is in initial stages of development, with a target launch date for a pilot in February 2020.

Tackling fraud and abuse

In February 2018, the Offices of the Inspector General (OIG) and City Controller—in conjunction with OEO—initiated an investigation into Pirozzi General Contracting’s activity on two contracts: a \$1.9 million project at the Baxter Water Treatment Plant and a \$329,711 contract with Public Property for work at the Philadelphia Nursing Home. Pirozzi committed to using M/W/DSBE contractors in its Economic Opportunity Plan for these projects. The OIG and Controller’s offices found that none of the planned M/W/DSBEs had provided any commercially useful function on these projects. Further, two of the supposed M/W/DSBEs were owned by family members of the owners of Pirozzi. The investigation uncovered evidence that Pirozzi had submitted misleading documents to the City about its business with the supposed M/W/DSBEs.

Due to the investigation, OEO and the Procurement Department sanctioned all of the companies involved. Pirozzi released more than \$145,000 to the City for back payment and accepted a three-year suspension from City contracting.

Researching inclusion of LGBTQ+ in Minority Business Registry

OEO has worked with the LGBTQ+ community to initiate a review of how they may be included in the OEO Registry as a disadvantaged classification. In December 2018, an optional box was added to RFPs and bid proposals encouraging respondents to identify if they are LGBTQ+. This information will then be used to determine whether this community should be included in OEO’s Annual Disparity Study, which examines availability and use of minority-, women-, and disabled-owned enterprises on City and quasi-public contracts.

Engaging stakeholders through Economic Opportunity Review Committees (EORC)

Each quarter, OEO holds an Economic Opportunity Review Committee (EORC) meeting in City Council chambers. This committee is chaired by the Deputy Commerce Director for OEO and includes a revolving membership of heads of the local minority chambers of commerce. The purpose of these meetings is to hear testimony from stakeholders in the diverse business community. The committee hosted representatives from government and universities, developers, construction management firms, and the public. The committee hears testimony and asks questions to develop best practices. Additionally, the committee can review projects with EOPs and recommend them to City Council for review of potential issues regarding noncompliance. Individuals who have testified include the construction manager for the new police headquarters and the chief operating officer of the Philadelphia Museum of Art.

FY 2019 PERFORMANCE RESULTS

Summary of FY 2019 Total Contract Participation of M/W/DSBE Firms

The following section provides a summary of total M/W/DSBE contract participation for FY 2019. These participation numbers come from contract commitments rather than payments, and they reflect dollars committed to primes and subs at the time the contract is conformed. Change orders and amendments are captured in subsequent years when the changes are made to the contracts.

Though contract awards provide a useful indicator of the amount that will be paid to M/W/DSBE firms, actual payment data is a more meaningful measure of the City's success in doing business with diverse firms. OEO is diligently working with all City departments—including Procurement and Finance—to establish a system that accurately captures payments made to M/W/DSBE firms. The most useful tool the City currently has is the B2GNow Contract Compliance Reporting System, and OEO is working with the Administration to properly maintain all of the City's contracts in this system.

In FY 2019, the total City-only contracting awards amounted to \$706 million, \$135 million less than in FY 2018. This amount represents awards in six contracting categories: Public Works (PW), Service, Supply, and Equipment (SSE), Personal and Professional Services (PPS), Miscellaneous Purchase Orders (MPO), Small Order Purchases (SOP), and City-wide SSE (supplies contracts purchased centrally by Procurement, rather than by individual departments). Of the total value of contracts awarded in FY 2019, \$254 million—or 36.02 percent—utilized M/W/DSBE firms. This proportion is 2.85 percent higher than the rate in FY 2018 and exceeds the City's goal of 35 percent.

Of the contracting categories, PPS had the greatest increase, which is significant as it is the largest category in terms of dollars and an important driver for growth. PPS participation grew by 7.09 percent, or \$12 million. This surge in participation is due in large part to OEO's efforts to encourage M/W/DSBE involvement on these contracts. Additionally, four of the six contracting categories increased participation. Of the two categories that decreased, one was minimal (MPO declined 0.8 percent). SSE declined significantly due to several large M/W/DSBE-primed contracts not renewing this year. OEO specialists will continue to work with Procurement to ensure these participation numbers remain high.

FIGURE 5:
FY 19 Total M/W/DSBE Contract Participation By Contracting Category

Contract Category	Total Amount	Majority Amount	Majority %	MBE Amount	MBE %	WBE Amount	WBE %	DSBE Amount	DSBE %	Total M/W/DSBE Amount	Total M/W/DSBE %
Public Works (PW)	\$217,794,905	\$152,123,674	69.85%	\$40,389,645	18.54%	\$25,281,586	11.61%	\$0	0.00%	\$65,671,231	30.15%
Service, Supply & Equipment (SSE)	\$55,606,786	\$39,244,804	70.58%	\$2,133,143	3.84%	\$14,228,839	25.59%	\$0	0.00%	\$16,361,982	29.42%
Personal & Professional Services (PPS)	\$383,726,388	\$214,156,102	55.81%	\$121,873,496	31.76%	\$47,679,289	12.43%	\$17,500	0.005%	\$169,570,285	44.19%
Miscellaneous Purchase Orders (MPOs)	\$4,977,543	\$4,060,477	81.58%	\$329,750	6.62%	\$587,316	11.80%	\$0	0.00%	\$917,066	18.42%
Small Order Purchases (SOPs)	\$7,188,578	\$5,948,128	82.74%	\$760,144	10.57%	\$480,307	6.68%	\$0	0.00%	\$1,240,450	17.26%
City-wide SSEs	\$37,049,645	\$36,350,515	98.11%	\$514,674	1.39%	\$184,456	0.50%	\$0	0.00%	\$699,130	1.89%
Total Contract Payments	\$706,343,845	\$451,883,700	63.98%	\$166,000,851	23.50%	\$88,441,793	12.52%	\$17,500	0.00%	\$254,460,144	36.02%

FY 2019 PERFORMANCE RESULTS

Figure 6 illustrates the total M/W/DSBE contract participation by contracting category in FY 2018, which can be compared to FY 2019, seen in Figure 5.

FIGURE 6:
FY 18 Total M/W/DSBE Contract Participation By Contracting Category

Contract Category	Total Amount	Majority Amount	Majority %	MBE Amount	MBE %	WBE Amount	WBE %	Total M/W/DSBE Amount	Total M/W/DSBE %
Public Works (PW)	\$298,388,931	\$208,973,121	70.03%	\$51,533,615	17.27%	\$37,882,195	12.70%	\$89,415,810	29.97%
Service, Supply & Equipment (SSE)	\$56,581,750	\$41,240,380	72.89%	\$1,599,573	2.83%	\$13,741,797	24.29%	\$15,341,370	27.11%
Personal & Professional Services (PPS)	\$424,586,662	\$267,072,554	62.90%	\$98,764,426	23.26%	\$58,749,682	13.84%	\$157,514,108	37.10%
Miscellaneous Purchase Orders (MPOs)	\$5,188,949	\$4,191,219	80.77%	\$420,328	8.10%	\$577,402	11.13%	\$997,730	19.23%
Small Order Purchases (SOPs)	\$6,179,246	\$5,387,551	87.19%	\$434,788	7.04%	\$356,908	5.78%	\$791,696	12.81%
City-wide SSEs	\$50,536,108	\$35,461,756	70.17%	\$11,216,423	22.19%	\$3,857,929	7.63%	\$15,074,352	29.83%
Total Contract Payments	\$841,461,646	\$562,326,581	66.83%	\$163,969,153	19.49%	\$115,165,913	13.69%	\$279,135,066	33.17%

FIGURE 7:
FY 19 M/W/DSBE Participation by Demographic (City Only)

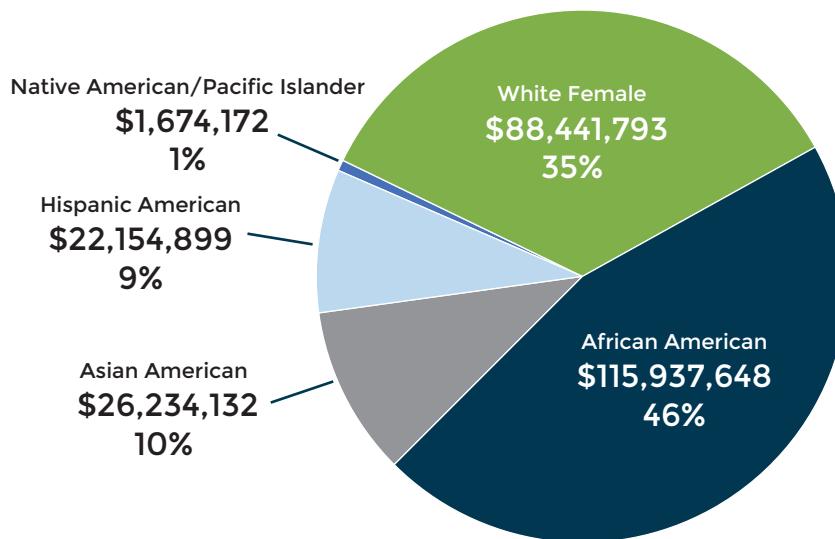


Figure 7 illustrates total M/W/DSBE participation by demographic for City contracts/projects only. Of the \$254 million M/W/DSBE participation, African American-owned firms received \$116 million (46 percent), and white female-owned firms received \$88 million (35 percent). Asian owned firms' participation totaled \$26 million (10 percent), while Hispanic American-owned firms received \$22 million (9 percent). Native American/Hawaiian-owned firms received \$1.6 million (1 percent), and disabled-owned firms received \$17,500 (<1 percent).

FY 2019 PERFORMANCE RESULTS

FIGURE 8:
FY 19 M/W/DSBE Participation By Geographic Area (City Only)

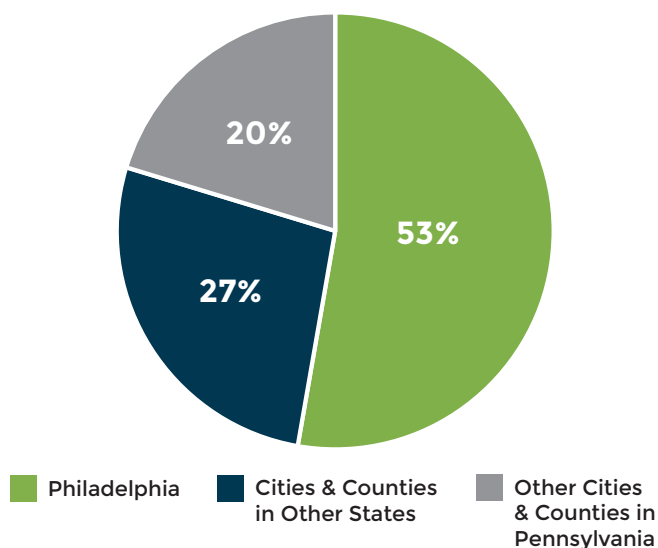


Figure 8 shows that of the \$254 million utilization of M/W/DSBE firms in FY 2019, 52.75 percent went to M/W/DSBE firms located in Philadelphia. In addition, 73.05 percent of all dollars went to diverse firms located in the Commonwealth of Pennsylvania.

FIGURE 9:
FY 19 Total Contract Awards By Geographic Location (City Only)

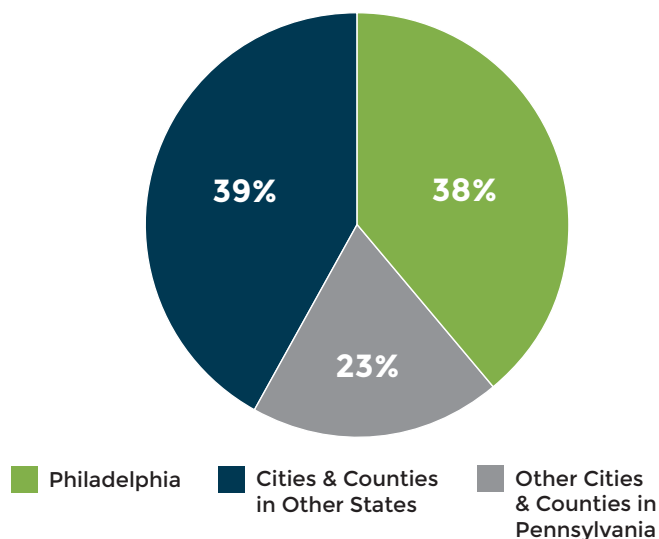


Figure 9 shows that 38.27 percent of total contracts awarded went to firms within Philadelphia. 60.79 percent of total contracts awarded went to firms in Pennsylvania. 39.21 percent of total contracts awarded were made to firms located in other cities and counties outside of Pennsylvania.

FIGURE 10:
FY19 City Only - M/W/DSBE Prime and Sub-Contractor Total Participation

Contract Category	MBE Sub Dollars	MBE Sub %	WBE Sub Dollars	WBE Sub %	MBE Prime Dollars	MBE Prime %	WBE Prime Dollars	WBE Prime %	Total MBE Dollars	Total MBE %	Total WBE Dollars	Total WBE %	Total M/W/DSBE Dollars
Public Works (PW)	\$34,372,531	52.34%	\$18,649,235	28.40%	\$6,017,114	9.16%	\$6,632,351	10.10%	\$40,389,645	61.50%	\$25,281,586	38.50%	\$65,671,231
Service, Supply & Equipment (SSE)	\$1,595,927	9.75%	\$8,882,821	54.29%	\$537,216	3.28%	\$5,346,018	32.67%	\$2,133,143	13.04%	\$14,228,839	86.96%	\$16,361,982
Personal & Professional Services (PPS)	\$61,930,811	36.53%	\$24,756,246	14.60%	\$59,942,685	35.35%	\$22,923,043	13.52%	\$121,873,496	71.88%	\$47,679,289	28.12%	\$169,552,785
Miscellaneous Purchase Orders (MPOs)	\$0	0.00%	\$0	0.00%	\$329,750	35.96%	\$587,316	64.04%	\$329,750	35.96%	\$587,316	64.04%	\$917,066
Small Order Purchases (SOPs)	\$0	0.00%	\$0	0.00%	\$760,144	61.28%	\$480,307	38.72%	\$760,144	61.28%	\$480,307	38.72%	\$1,240,451
City-wide SSEs	\$0	0.00%	\$0	0.00%	\$514,674	73.62%	\$184,456	26.38%	\$514,674	73.62%	\$184,456	26.38%	\$699,130
Total	\$97,899,269	38.48%	\$52,288,302	20.55%	\$68,101,583	26.77%	\$36,153,491	14.21%	\$166,000,851	65.24%	\$88,441,793	34.76%	\$254,442,645

In FY 2019, MBE prime contracts totaled \$68 million, and WBEs primed on \$36 million worth of contracts.

Of the total \$254 million that was contracted with M/W/DSBEs, \$104 million (40.97 percent) were prime contracts.

FY 2019 PERFORMANCE RESULTS

FIGURE 11:
City Only Trending Report For M/W/DSBE Utilization

Fiscal Year	MBE %	WBE %	M/WBE Total %	Majority %	MBE Participation Dollars	WBE Participation Dollars	M/W/DSBE Total Participation Dollars	Majority Total Contract Awards	Total Contract Award Dollars
2015	18.30%	13.49%	31.79%	68.21%	\$115,728,162	\$85,274,893	\$201,003,055	\$431,226,257	\$632,229,312
2016	17.87%	14.18%	32.05%	67.95%	\$120,482,918	\$95,581,161	\$216,064,079	\$458,217,925	\$674,282,004
2017	18.50%	15.30%	33.80%	66.20%	\$135,325,378	\$111,880,427	\$247,205,805	\$484,109,150	\$731,314,955
2018	19.49%	13.69%	33.17%	66.83%	\$163,969,153	\$115,165,913	\$279,135,066	\$562,326,581	\$841,461,647
2019	23.50%	12.52%	36.02%	63.98%	\$166,000,851	\$88,441,793	\$254,460,144	\$451,883,700	\$706,343,845

The five-year trending data on M/W/DSBE participation demonstrates an increase in total participation despite total available contracting dollars fluctuating from year to year.

FIGURE 12:
Trending Report of M/W/DSBE Participation by FY and Contracting Category

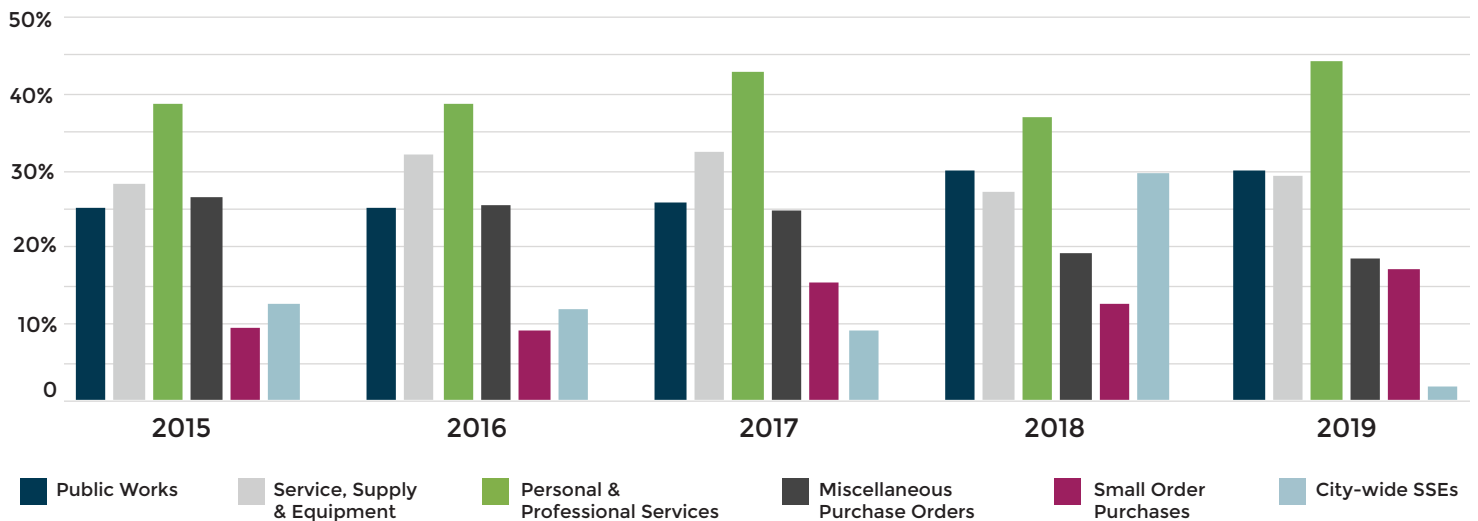


FIGURE 13:
City Only Trending Report of M/W/DSBE Participation by Contracting Category - Total Contract Dollars

Contract Category	2015		2016		2017		2018		2019	
	M/W/DSBE %	M/W/DSBE DOLLARS	M/W/DSBE %	M/W/DSBE DOLLARS	M/W/DSBE %	M/W/DSBE DOLLARS	M/W/DSBE %	M/W/DSBE DOLLARS	M/W/DSBE %	M/W/DSBE DOLLARS
Public Works (PW)	25.01%	\$56,422,397	25.26%	\$60,784,020	25.96%	\$73,969,262	29.97%	\$89,415,810	30.15%	\$65,671,231
Service, Supply & Equipment (SSE)	28.16%	\$15,416,979	31.95%	\$15,200,250	32.53%	\$20,320,178	27.11%	\$15,341,370	29.42%	\$16,361,982
Personal & Professional Services (PPS)	38.61%	\$124,359,802	38.86%	\$135,051,711	42.88%	\$148,206,040	37.10%	\$157,514,108	44.19%	\$169,570,285
Miscellaneous Purchase Orders (MPOs)	26.51%	\$1,050,690	25.39%	\$1,067,632	24.74%	\$1,271,230	19.23%	\$997,730	18.42%	\$917,066
Small Order Purchases (SOPs)	9.49%	\$571,842	9.12%	\$498,404	15.29%	\$888,668	12.81%	\$791,696	17.26%	\$1,240,450
City-wide SSEs	12.70%	\$2,181,345	11.99%	\$3,462,062	9.31%	\$2,550,428	29.83%	\$15,074,352	1.89%	\$699,130

FY 2019 PERFORMANCE RESULTS

City Departments FY 2019 Performance Results

In FY 2019, the 48 City Departments' total contract awards were \$706 million, of which, \$254 million were awarded to M/W/DSBEs for a participation rate of 36.02 percent. The total contracting awards are the remaining dollars after the "Few or No Deductions." Details of the "Few or No Deductions" are contained in the appendices of this report. "Few or No Deductions" are contracting opportunities where it is determined by OEO and the contracting departments that there are too few ready, willing, and able M/W/DSBE firms in the OEO Registry to support the contract or project.

OEO has deployed the following tactical measures to increase availability of diverse firms in the OEO Registry:

- Hosted targeted outreach events for specific contract needs
- Met with firms in-person to encourage participation
- Worked with community and business partners to leverage their membership lists
- Attended industry-specific outreach events to identify viable diverse firms
- Utilized other M/W/DSBE firms in an "each one bring one" to the table approach
- Used digital and social media platforms to notify firms of contracting opportunities

The quickest way to increase levels of M/W/DSBE participation is a larger registry of ready, willing, and able firms. There are several City contracting categories lacking participation that could quickly be filled by capable, diverse businesses. As important as it is to set and meet goals, OEO's mission will be most holistically realized as it helps foster the capacity of new diverse businesses to contract with the City.

A major challenge for OEO is the prescriptive nature of determining availability and solely depending on the OEO Registry to establish M/W/DSBE participation goal ranges. To find solutions to this challenge, OEO is a member of a regional committee of diverse certification agencies seeking to determine how to improve the availability of diverse firms in the OEO Registry.



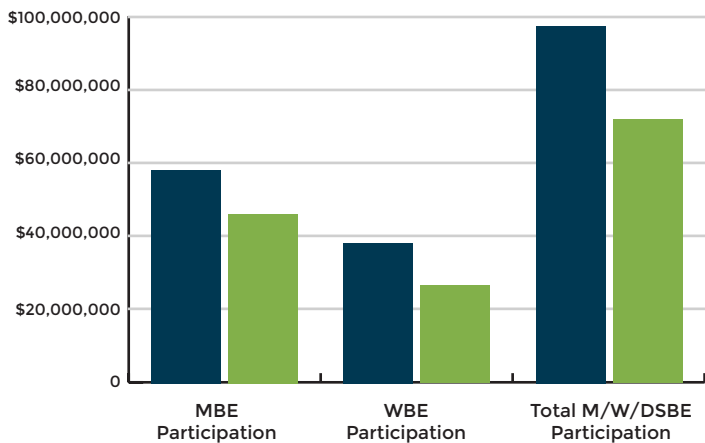
FIGURE 14: FY 2019 City Department M/W/DSBE Participation

Department/Office	Total Available Contract Dollars	M/W/DSBE Total Participation	M/W/DSBE Performance %	M/W/DSBE Goal
Aviation	\$106,708,996	\$39,023,958	36.57%	32%
Behavioral Health/Intellectual disAbility Services	\$20,665,367	\$2,422,032	11.72%	13%
Board Review of Taxes	\$0	\$0	0.00%	NO GOAL ASSIGNED
City Commissioners	\$122,979	\$14,476	11.77%	30%
City Council	\$543,201	\$245,387	45.17%	NO GOAL ASSIGNED
Commerce	\$356,235	\$76,915	21.59%	60%
Controller, Office of	\$179,013	\$68,788	38.43%	NO GOAL ASSIGNED
District Attorney	\$633,316	\$85,000	13.42%	NO GOAL ASSIGNED
Finance, Department of	\$16,826,946	\$6,112,572	36.33%	35%
Fire	\$5,365,735	\$1,063,646	19.82%	16%
Fleet Management	\$3,672,969	\$29,802	0.81%	5%
Health, Department of Public	\$5,133,303	\$945,894	18.43%	40%
Human Services, Department of	\$27,785,722	\$20,514,357	73.83%	33%
Law Department	\$7,155,854	\$2,092,711	29.24%	37%
Library (Free Library of Philadelphia)	\$869,186	\$328,939	37.84%	25%
License and Inspections, Department of	\$11,887,830	\$3,516,715	29.58%	35%
Managing Director's Office	\$6,612,712	\$3,006,129	45.46%	20%
Mayor's Office	\$396,224	\$100,000	25.24%	35%
Mayor's Office of Community Empowerment & Opportunity (Community Service)	\$143,559	\$35,314	24.60%	50%
Office of Arts and Culture	\$275,366	\$3,478	1.26%	25%
Office of Homeless Services	\$3,288,183	\$1,598,385	48.61%	32%
Office of Human Resources	\$1,225,621	\$50,000	4.08%	10%
Office of Innovation & Technology	\$19,880,471	\$5,696,507	28.65%	25%
Office of Sustainability	\$425,875	\$34,000	7.98%	20%
Office of the CAO	\$2,357,400	\$418,574	17.76%	25%
Office of the City Representative	\$4,000	\$0	0.00%	NO GOAL ASSIGNED
Office of the Inspector General	\$81,143	\$780	0.96%	NO GOAL ASSIGNED
Parks & Recreation	\$2,358,670	\$138,380	5.87%	25%
Pensions and Retirement, Board of	\$809,509	\$0	0.00%	NO GOAL ASSIGNED
Planning and Development	\$109,788	\$94,788	86.34%	35%
Police	\$1,558,636	\$616,679	39.57%	10%
Prisons	\$53,620,811	\$30,530,895	56.94%	35%
Procurement	\$155,661	\$0	0.00%	15%
Property Assessment, Office of	\$572,000	\$0	0.00%	50%
Property, Department of Public	\$55,887,110	\$27,459,674	49.13%	50%
Records	\$1,477,954	\$144,500	9.78%	22%
Revenue	\$22,442,496	\$11,844,230	52.78%	46%
Sinking Fund Commission	\$28,335	\$0	0.00%	NO GOAL ASSIGNED
Streets	\$71,275,893	\$23,591,212	33.10%	32%
Treasurer, City	\$1,492,747	\$309,936	20.76%	30%
Water Department	\$214,854,971	\$71,540,646	33.30%	30%
Water -- Stormwater	\$52,411	\$5,718	10.91%	
Net Total	\$669,294,199	\$253,761,014	37.91%	

NOTE: Departments Without Available Total Contracting Dollars Have Been Removed From The Above Table. The Total Available Contract Dollars Are The Net Dollars Available After The Deduction Of "Few Or No" Contracting Dollars. The 37.91 Percent Performance Figure Does Not Include Sse Citywide Contracts, Which Do Not Have A Specific Department. The Average Participation Decreases To 36.02 Percent When They Are Factored In.

TOP FIVE DEPARTMENTS WITH HIGHEST AMOUNT OF AVAILABLE CONTRACT DOLLARS

FIGURE 15:
Water



LEGEND

2018 2019

FIGURE 18:
Public Property

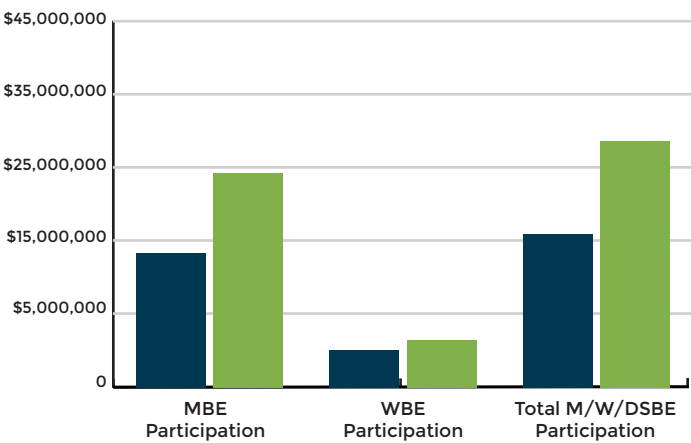


FIGURE 16:
Aviation

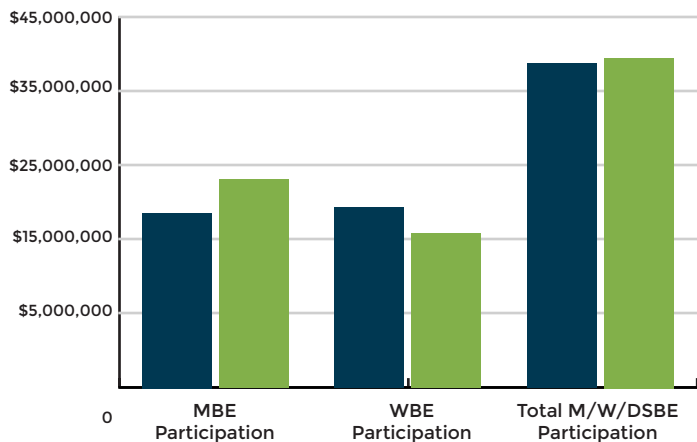


FIGURE 19:
Streets

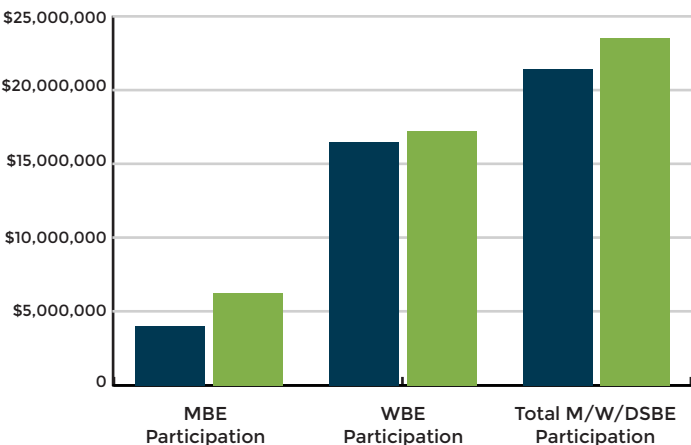
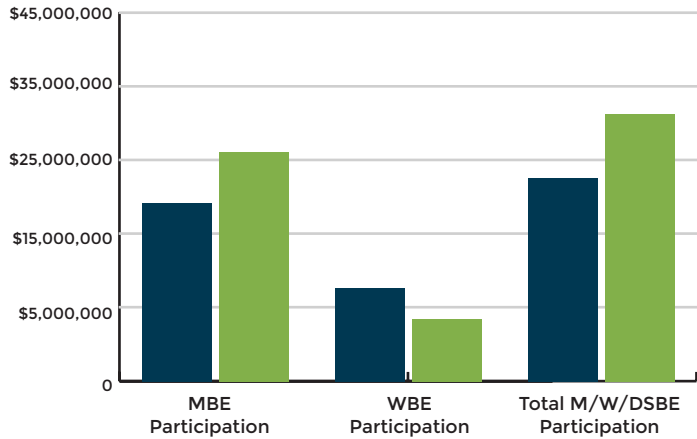


FIGURE 17:
Prisons





MINORITIES AND WOMEN ON BOARDS AND IN EXECUTIVE POSITIONS

Increasing and maintaining diversity and inclusion starts at the top of any organization. The presence of women and minorities on boards and in executive positions is essential to fostering diversity throughout an organization. Diversity of boards and leadership helps to drive diversity and inclusion strategies in workplaces, supply chains, and workforces.

Chapter 17-104 of the Philadelphia Code, “Prerequisites to the Execution of City Contracts,” was amended in September 2013 to require contractors submitting bids who seek to do business with the City to disclose:

- The current percentage of women executive officers in the company and percentage of women on the company’s full board.
- The company’s aspirational goals for the inclusion of women in executive positions and on the executive and full boards.
- The intended efforts by the contractor to achieve aspirational goals.

Pursuant to Bill No. 180133, OEO was to begin reporting out on the number of minorities in these positions as well in FY 2019. The data collection process was implemented late in the fiscal year, and the dataset collected was too small to report out. OEO will provide a full year of data on minorities on boards and in executive positions in the FY 2020 report.

In FY 2019 OEO reviewed 315 Public Works bid responses to 77 bid opportunities. Of those contractors submitting proposals, the following was found:

27.62%
percent of Public Works bidding contractors had women on their executive boards

37.78%
percent of Public Works contractors reported women as members of their executive staff

6.35%
percent of contractors indicated aspirational goals to increase women on their boards

14.29%
percent of contractors indicated aspirational goals to increase women in their executive ranks

NOTE: Contractors That Identified Aspirational Goals To Increase Women On Boards And In Executive Roles Did Not Submit Specific Plans On How They Would Do So.

THE TOP 10 REPORT

The following figures depict the top 10 primes based on dollars awarded, as well as the top 10 MBE and WBE firms based on cumulative prime and subcontracting participation across all contracting categories.

FIGURE 20:
Top 10 Prime Vendors/Contractors - Dollars Awarded

Ranking	Business Name	Total Contract Award	MBE Participation Dollars	MBE Participation %	WBE Participation Dollars	WBE Participation %
1	Corizon Health Inc.	\$42,725,023	\$9,158,641	21.44%	\$2,843,699	6.66%
2	U.S. Facilities, Inc.	\$36,331,671	\$36,331,671	100.00%	\$0	0.00%
3	Waste Management	\$24,722,000	\$0	0.00%	\$9,888,800	40.00%
4	Carusone Construction, Inc.	\$22,964,839	\$4,383,680	19.09%	\$1,791,686	7.80%
5	Seravalli, Inc.	\$19,071,000	\$2,842,860	14.91%	\$1,961,443	10.28%
6	E J Electric	\$17,973,000	\$3,934,380	21.89%	\$2,968,300	16.52%
7	Dynamicare, LLC	\$16,900,000	\$0	0.00%	\$0	0.00%
8	GD Correctional, LLC	\$15,152,653	\$3,383,587	22.33%	\$1,515,625	10.00%
9	Petrongolo Contractors Inc.	\$14,286,290	\$2,498,000	17.49%	\$1,459,000	10.21%
10	MHM Correctional Services, Inc.	\$14,101,494	\$677,000	4.80%	\$0	0.00%

FIGURE 21:
Top 10 Minority Business Enterprise (MBE) Firms- Dollars Awarded

Ranking	Business Name	Business Classification	Total Contract Dollars (Prime and Sub)
1	US Facilities	African American Male	\$36,331,671
2	Timi Pharmaceuticals, Inc.	African American Female	\$6,458,334
3	G.E. Frisco Company, Inc.	Asian Male	\$5,695,660
4	Linebarger Googgan Blair & Sampson LLP -- African American Billing Partner	African American Male	\$5,427,600
5	Decision Distribution America, LLC	Asian Male	\$4,962,724
6	Aviman Management, LLC	African American Male	\$4,692,324
7	M F R Consultants Inc.	African American Male	\$4,031,939
8	FutureNET, Inc.	African American Male	\$4,000,000
9	Revenue Collection Bureau, Inc.	Hispanic American Male	\$3,494,875
10	Mil Ray Food Co	African American Female	\$3,180,225

FIGURE 22:
Top 10 Women Business Enterprise (WBE) Firms - Dollars Awarded

Ranking	Business Name	Business Classification	Total Contract Dollars (Prime and Sub)
1	WB Services	White Female	\$11,904,800
2	Resilient Business Solutions, LLC	White Female	\$10,050,981
3	Gessler Construction Co Inc.	White Female	\$3,989,840
4	Labe Sales Inc.	White Female	\$3,548,773
5	Clinical Solutions, LLC	White Female	\$2,800,000
6	Norris Sales Company Incorporated	White Female	\$2,768,868
7	Labov Plumbing & Heating Supply Inc.	White Female	\$2,581,190
8	Thomas Building Group	White Female	\$2,000,000
9	JBC Associates Inc.	White Female	\$1,678,975
10	Hunt Engineering Co	White Female	\$1,656,884

REGISTRY RESULTS AND DEMOGRAPHICS

The OEO Registry is intended to ensure that all segments of the M/W/DSBE business community have a reasonable and significant opportunity to participate on City contracts. The OEO Registry also furthers OEO's public interest to foster effective broad-based competition from all segments of its diverse vendor community. It is critical to keep the registry as current and accurate as possible. Thus, OEO recently vetted the registry, removing 216 businesses that were no longer valid, while also adding new firms. OEO conducts outreach efforts and collaborates with third-party certification agencies to get as many new businesses into the registry as possible.

The OEO Registry also provides avenues for the development of new capacity and new sources of competition for City contracts from the growing pool of M/W/DSBE businesses.

The OEO Registry is integral to the establishment of M/W/DSBE participation goals on City and quasi-public contracts. City and quasi-public agencies only receive participation credit when using certified firms, and the OEO Registry makes it easier to find qualified firms that count toward participation.

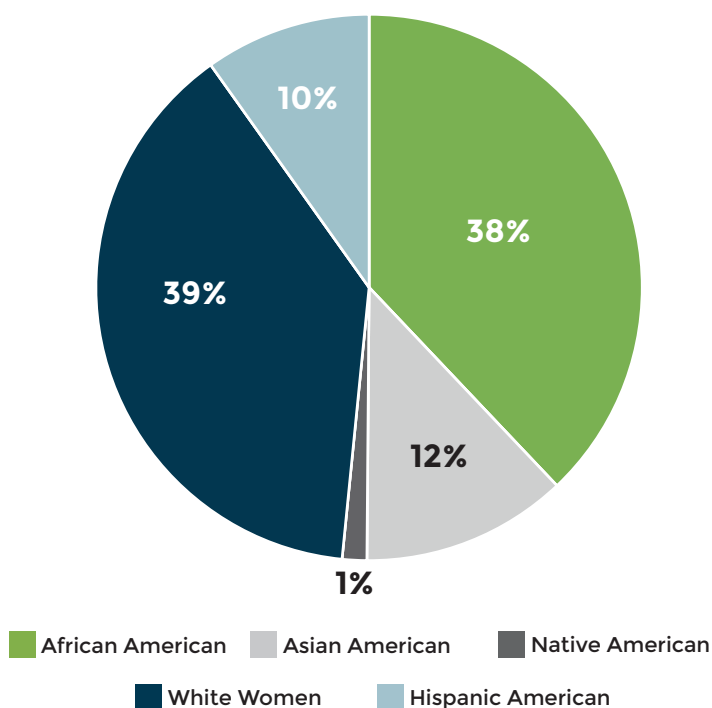
The registry is the primary vehicle for M/W/DSBE businesses to let the City know they are ready, willing, and able to participate on City contracts and projects; and it is OEO's tool for determining availability of M/W/DSBE firms to participate on City projects.

Key benefits and features of the OEO Registry are:

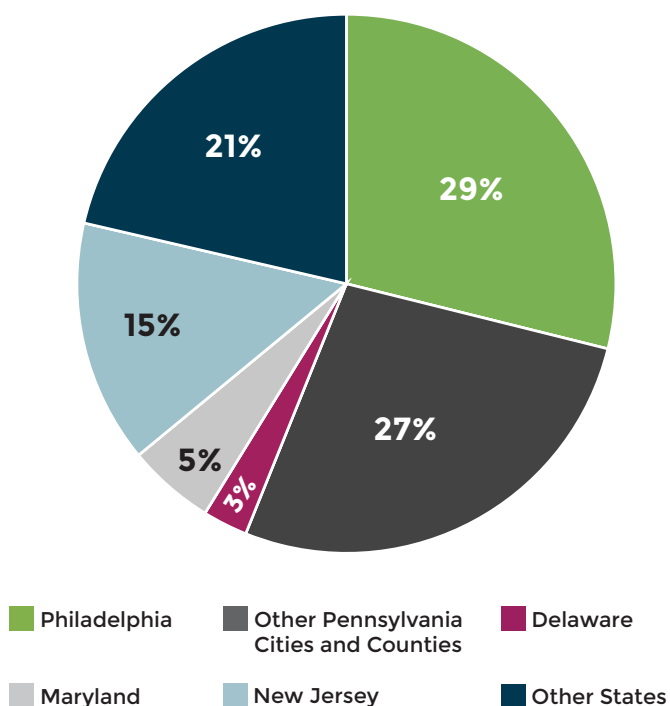
- Receiving OEO's monthly e-blasts and quarterly newsletter.
- Notification of outreach events.
- Solicitation of quotes for Miscellaneous Purchase Orders and Small Order Purchases by internal stakeholders

At the time of publication there were 3,115 firms in the OEO Registry, an increase of 280 over FY 2019, compared to the increase of 211 in FY 2018.

**FIGURE 23:
OEO Registry By Business Classification**



**FIGURE 24:
OEO Registry By Location**



MAKING COMPLIANCE MATTER: ECONOMIC OPPORTUNITY PLANS

An Economic Opportunity Plan (EOP) is an agreement between the City and a prime contractor or project owner. The EOP agreement establishes goal ranges for the meaningful participation of M/W/DSBEs on capital and construction projects throughout City government. An EOP is required for City-owned projects with a budget greater than \$100,000. In the private and nonprofit sectors, projects may need an EOP if they require public funds or an action by City Council. In 2015, OEO was tasked with reporting workforce diversity on City projects, and as of 2017, the Labor Standards Unit has provided oversight and enforcement of workforce diversity on projects that require action by City Council.

As of October 2019, there were 208 active EOP projects that total \$2.74 billion. Of the \$2.74 billion, M/WBE utilization was 31.07 percent (\$985 million). The \$985 million of M/WBE utilization includes \$502 million (15.84 percent) received by MBE firms and \$483 million (21.75 percent) received by WBE firms. Of the 208 active EOP projects, 168 are City-owned projects totaling \$461 million with 21.32 percent (\$98.34 million) M/WBE participation. MBE participation on City only EOP projects was 12.46 percent (\$57.47 million) and WBE participation was 8.86 percent (\$40.87 million).

FIGURE 25:
Total Active Economic Opportunity Plans (EOPs) and M/W/DSBE Participation as of October 2018

Category	EOPS	MBE		WBE		M/WBE		Majority Paid	Total Paid
		MBE Paid (\$)	MBE Participation (%)	WBE Paid (\$)	WBE Participation (%)	M/WBE Paid (\$)	M/WBE Participation (%)		
Aviation	19	\$3.13	9.17%	\$2.60	7.62%	\$5.74	16.78%	\$28.45	\$34.19
Public Property	39	\$2.35	3.14%	\$1.49	1.99%	\$3.84	5.12%	\$71.14	\$74.98
Streets	15	\$1.00	3.02%	\$1.40	4.25%	\$2.40	7.27%	\$30.63	\$33.03
Water	95	\$50.99	15.98%	\$35.37	11.09%	\$86.35	27.07%	\$232.67	\$319.02
TOTAL CITY	168	\$57.47	12.46%	\$40.87	8.86%	\$98.34	21.32%	\$362.89	\$461.23
Private/Nonprofit	40	\$445.16	16.42%	\$442.34	16.31%	\$887.49	32.73%	\$1,824.04	\$2,711.54
TOTAL EOPS	208	\$502.63	15.84%	\$483.20	21.75%	\$985.83	31.07%	\$2,186.94	\$3,172.77

**DOLLARS REPRESENTED IN MILLIONS*

Increased Oversight, Visibility, and Compliance

OEO has continued in its mission of increasing visibility on active EOP projects. City Council passed legislation in 2018 requiring oversight committees for all projects valued at more than \$5 million, increasing OEO's participation on such committees. As a result of OEO's involvement on more private projects, there has been an increase in the dollar value and the percentage going to MBEs in the city.

A collaborative effort between City departments led to the formation of a Vendor Performance Review process. This committee comprised of the Office of Economic Opportunity, Labor Standards Unit, and Procurement Department meets quarterly to discuss and grade a prime contractor's performance on a City project. OEO's participation on this committee is yet another way we are staying aware of the challenges and issues we face on City projects.

Improving Transparency and Accountability

OEO has overhauled its online EOP Dashboard to synthesize the dense report into a more engaging and relevant tool. The dashboard provides stakeholders with a near-real-time M/W/DSBE performance results on active EOP projects City-wide, organized by councilmanic districts. The new dashboard can be accessed at www.phila.gov/oao. It is updated quarterly.

OUTREACH AND ALLIANCES

The Office of Economic Opportunity remains steadfast in its commitment to supporting the City in developing a world-class diverse supply chain that adds value. Strategically, OEO plans workshops and trainings to assist in the development of the competency and capacity of its diverse suppliers and vendors. In addition, OEO maintains a deliberate and purposeful presence in the community through various outreach events. OEO is committed to providing M/W/DSBE firms with the maximum amount of opportunities to participate in the performance of contracts awarded by the City, and this requires extensive outreach, strategic alliances, and access to comprehensive resources.

Outreach Tools

The Office of Economic Opportunity uses various tools to enhance its outreach efforts, transparency, and stakeholder engagement. These include:

OEO WEBSITE: www.phila.gov/oeo

MONTHLY E-BLASTS AND QUARTERLY NEWSLETTER

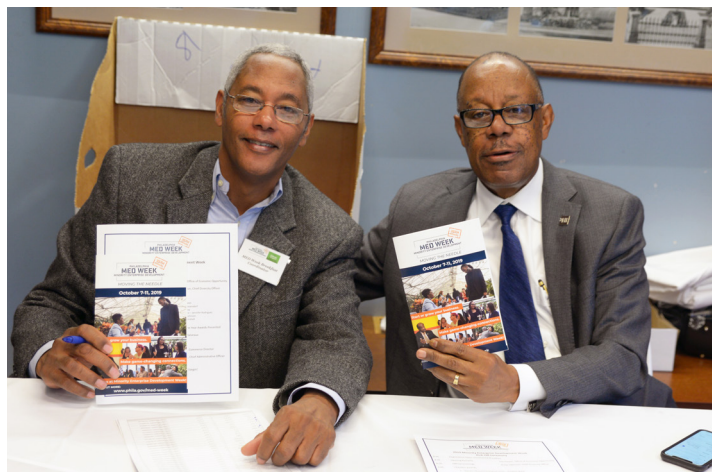
M/W/DSBE COMPLIANCE REPORTING SYSTEM

OEO REGISTRY

ONLINE EOP DASHBOARD

Special Recognition

In October 2019, Iola Harper, Deputy Commerce Director for the Office of Economic Opportunity, was named by The Philadelphia Inquirer as a Diversity and Inclusion Pioneer. She will be honored at the Diversity and Inclusion Awards Gala in November 2019.



35TH ANNUAL MINORITY ENTERPRISE DEVELOPMENT (MED) WEEK



MED WEEK AT A GLANCE

40+
OUTREACH AND
DEVELOPMENT
EVENTS

2,000+
ATTENDEES

40+
ORGANIZATIONAL
PARTNERS

The Office of Economic Opportunity and more than 40 organizational partners hosted the 35th Annual Minority Enterprise Development Week, affectionately known as MED Week, during the second week of October 2019. This year's theme was "Moving the Needle," which OEO has been doing for more than three decades now.

On October 7, OEO and CAO launched MED Week with a kickoff breakfast and Open for Business Expo at the Horticultural Center in Fairmount Park. Julianne Malveaux, economist, author, Founder and President of Economic Education, and former President of Bennett College for Women, served as the keynote speaker. There were more than 200 attendees, including Chief Diversity and Inclusion Officer Nolan Atkinson, members of City Council, City, business and nonprofit leaders, resource agencies, advocates, and individual business owners.

The Open for Business Expo included 25 resource and private entity exhibitors, plus representatives from various City departments. Event attendees also received a list of forecasted City-wide contracting opportunities.

MED WEEK CO-CHAIRS

City of Philadelphia's
Department of Commerce

African American Chamber
of Commerce PA-NJ-DE

Asian American Chamber
of Commerce of Greater
Philadelphia

Greater Philadelphia Hispanic
Chamber of Commerce

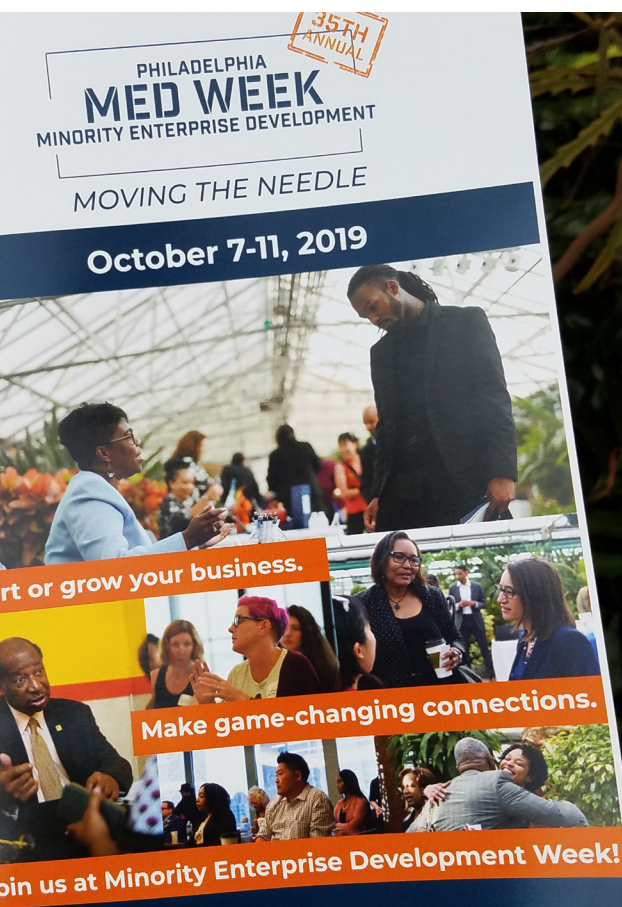
Minority Business
Development Agency

Women's Business
Enterprise Center

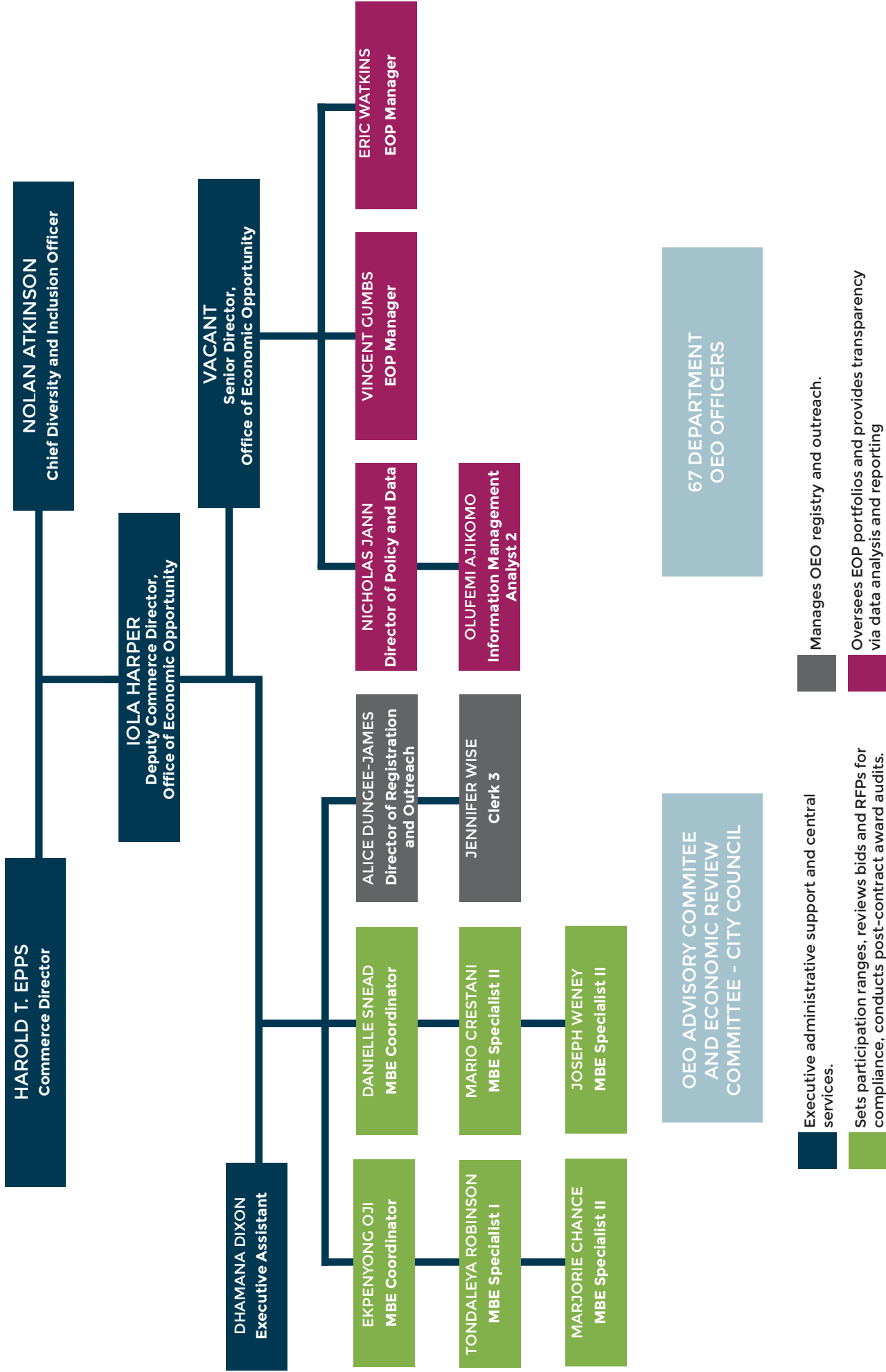


“The City of Philadelphia is committed to ensuring that all of our residents are provided the opportunity to succeed and thrive.”

– Iola Harper, Deputy Commerce Director for the Office of Economic Opportunity



OFFICE OF ECONOMIC OPPORTUNITY ORGANIZATION



PAVING THE WAY FORWARD

The City of Philadelphia is committed to creating and supporting an environment where diverse business owners in all areas of the city can open and grow a business successfully. The past year saw important progress regarding the City's diversity efforts. As Philadelphia has made equity, diversity, and inclusion strategic priorities instead of just an obligation, OEO has produced impressive results.

FY 2019 saw a significant increase in M/W/DSBE participation, exceeding 35 percent in City contracts for the first time in the past five years. This milestone was accomplished thanks to the hard work and dedication of the OEO team, along with the prioritization of such goals across City leadership. Key ingredients contributing to this year's success include:

- The commitment of City departments to actively increase participation.
- OEO hosting events and adding over 200 new businesses to the registry.
- OEO leaders reinforcing the need for results.
- City Council and the Administration setting ambitious goals and providing the City and OEO with the resources to accomplish them.

Despite this success, the City must continue to work to maintain and increase M/W/DSBE participation. Contracting budgets and plans can vary each year and

new challenges will arise, but OEO stands at the forefront of ensuring that M/W/DSBE participation is at consistently appropriate levels for a majority-minority city. OEO will continue to leverage its relationship with City departments and leadership to prioritize participation on all contracting opportunities.

One of the principle ways to improve participation is through community outreach and by growing the registry. There are still sectors with whom the City contracts where there are no available M/W/DSBE firms. OEO and City departments' procurement specialists must work to identify diverse firms in these industries, get them into the registry, and do business with them.

The success of diverse, local businesses is linked to overall success of the local and regional economy. While the City has performed admirably with its diversity goals, it must also focus on doing business with as many diverse Philadelphia firms as possible. Philadelphia is experiencing an economic boom, and local government must do its part to ensure that small and diverse local businesses benefit feel the benefits of that growth too.

The City and OEO are well positioned to increase participation throughout Fiscal Year 2020. With continued internal diligence and cooperation across departments, increased outreach, and support from leadership, participation should rise with a focus on local firms across all industries.



FY 2019 & FY 2018 M/W/DSBE Participation Comparison

	Fiscal Year 2019							Fiscal Year 2018							FY 19/18 MBE %	FY 19/18 WBE %	FY 19/18 M/WBE %
	Total Amount	MBE \$	MBE %	WBE \$	WBE %	Total M/W/DSBE \$	Total %	Total Amount	MBE \$	MBE %	WBE \$	WBE %	Total M/W/DSBE \$	Total %			
Public Works	\$217,794,905	\$40,389,645	18.54%	\$25,281,586	11.61%	\$65,671,231	30.15%	\$298,388,931	\$51,533,615	17.27%	\$37,882,195	12.70%	\$89,415,810	29.97%	1.27%	-1.09%	0.19%
Service, Supply & Equipment	\$55,606,786	\$2,133,143	3.84%	\$14,228,839	25.59%	\$16,361,982	29.42%	\$56,581,750	\$1,599,573	2.83%	\$13,741,797	24.29%	\$15,341,370	27.11%	1.01%	1.30%	2.31%
Personal & Professional Services	\$383,726,388	\$121,873,496	31.76%	\$47,679,289	12.43%	\$169,570,285	44.19%	\$424,586,662	\$98,764,426	23.26%	\$58,749,682	13.84%	\$157,514,108	37.10%	8.50%	-1.41%	7.09%
Miscellaneous Purchase Orders (MPOs)	\$4,977,543	\$329,750	6.62%	\$587,316	11.80%	\$917,066	18.42%	\$5,188,949	\$420,328	8.10%	\$577,402	11.13%	\$997,730	19.23%	-1.48%	0.67%	-0.80%
Small Order Purchases (SOPs)	\$7,188,578	\$760,144	10.57%	\$480,307	6.68%	\$1,240,450	17.26%	\$6,179,246	\$434,788	7.04%	\$356,908	5.78%	\$791,696	12.81%	3.54%	0.91%	4.44%
Sub Total	\$669,294,199	\$165,486,177	24.73%	\$88,257,337	13.19%	\$253,761,014	37.91%	\$790,925,539	\$152,752,730	19.31%	\$111,307,984	14.07%	\$264,060,714	33.39%	5.41%	-0.89%	4.53%
City-Wide subtotal	\$37,049,645	\$514,674	1.39%	\$184,456	0.50%	\$699,130	1.89%	\$50,536,108	\$11,216,423	22.19%	\$3,857,929	7.63%	\$15,074,352	29.83%	-20.81%	-7.14%	-27.94%
City Total	\$706,343,845	\$166,000,851	23.50%	\$88,441,793	12.52%	\$254,442,644	36.02%	\$841,461,647	\$163,969,153	19.49%	\$115,165,913	13.69%	\$279,135,066	33.17%	4.02%	-1.17%	2.85%
Quasi-Public																	
Philadelphia Industrial Development Corporation (PIDC)	\$9,395,260	\$728,866	7.76%	\$2,959,425	31.50%	\$3,688,291	39.26%	\$23,483,198	\$2,898,702	12.34%	\$2,743,081	11.68%	\$5,641,783	24.02%	-4.59%	19.82%	15.23%
Philadelphia Housing Development Corporation (PHDC)	\$91,375,450	\$25,516,086	27.92%	\$38,952,159	42.63%	\$64,468,245	70.55%	\$78,521,218	\$21,281,799	27.10%	\$9,063,466	11.54%	\$30,345,265	38.65%	0.82%	31.09%	31.91%
Philadelphia Redevelopment Authority (PRA)	\$1,112,463,017	\$200,243,343	18.00%	\$77,872,411	7.00%	\$278,115,754	25.00%	\$498,493,542	\$89,728,837	18.00%	\$34,894,548	7.00%	\$124,623,385	25.00%	0.00%	0.00%	0.00%
Quasi Total	\$1,213,233,727	\$226,488,295	18.67%	\$119,783,995	9.87%	\$346,272,290	28.54%	\$600,497,958	\$113,909,338	18.97%	\$46,701,095	7.78%	\$160,610,433	26.75%	-0.30%	2.10%	1.80%
TOTALS	\$1,919,577,572	\$392,489,146	20.45%	\$208,225,788	10.85%	\$600,732,434	31.30%	\$1,441,959,605	\$277,878,491	19.27%	\$161,867,007	11.23%	\$439,745,499	30.50%	1.18%	-0.38%	0.80%

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Advanced Purchasing Inventory Control System

(ADPICS) - City-wide procurement system that automates the procurement process for bid contracts from purchase order to final payment.

Annual Disparity Study – An up-to-date Study, performed in accordance with Section 6-109 of The Philadelphia Home Rule Charter and Chapter 17-1500 of The Philadelphia to the percentage of qualified MBEs, WBEs and DSBEs available to participate in such contracts. The Annual Disparity Study is distinct from a traditional Disparity Study. The Annual Disparity Study shall analyze contracting data derived from Participation Reports and may forecast on a fiscal year basis, through the development of annual participation goals, the participation of MBEs, WBEs and DSBEs in City Contracts.

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.

Best and Good Faith Effort (BGFE) - Documentation of the bidders' intent to comply with SLBE Program goals, and evaluation of that intent from a review of the documentation to support the actions taken.

Best Value - The City's best value initiative alters the criteria by which the city selects bidders from that of the "lowest responsible bidder" to one who promises to provide the "best value" to the City. This initiative allows the City to award contracts based on such factors as past performance, budget and schedule, workforce diversity, meeting/exceeding M/W/DSBE participation goals, etc.

Bid – A quotation, proposal or offer by a Bidder to provide, labor, materials, equipment, suppliers or services to the city for a price.

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 percent of the gross amount of the bid.

Bidder (or Sellers) - A firm submitting a quote, price or proposal in response to an Invitation To Bid (ITB) or Request For Proposal (RFP). Vendors, suppliers and/or contractors, interchangeable with term vendors in PHLContracts.

B2GNOW - A web-enable compliance tracking tool currently employed by the Office of Economic Opportunity (OEO) to track and monitor M/W/DSBE contract compliance and facilitate vendor registration. This secure web-based system (online tool) was introduced in 2013.

Business Enterprise - Corporation, limited liability company, partnership, individual, sole proprietorship, joint stock company, joint venture, professional association, or any other legal entity.

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.

City or "The City" - Refers to the City of Philadelphia's municipal government.

Commitment (Award) Dollars - Dollars awarded to prime and/or subcontractors for contracted goods and/or services. Contract commitments (awards) reflect anticipated dollar amounts, which may differ for eventual payments (Note: Commitment Dollars in this report are a combination of contract awards, contract payments and estimated utilization dollars).

Compliance - The act of assuring that what is promised is what is paid. Also, as it pertains to the Office of Economic Opportunity (OEO) compliance is the act of reviewing and reporting data to give an accurate picture of what the OEO Programs is actually doing in the communities that we serve.

Compliance Reporting System (CRS) – In 2013, the City of Philadelphia launched its secure web-based system (online tool). The CRS facilitates vendor registration and contract compliance reporting. This secure web-based system requires prime contractors to input the portion of their payment from the city that is distributed to M/W/DSBEs. The M/W/DSBEs are required to input a

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confirmation that they have received payment within five (5) business days of the prime receiving payment(s) from the city. If payment is not received within the required timeline the vendor may submit a payment compliance complaint. This system is administered by the Office of Economic Opportunity.

Concessions - Concession Agreements with the City of Philadelphia offer vendors the opportunity to provide goods and/or services on City property.

Conformed - Once a contract is fully approved by the City, it is "conformed". PHLContracts classifies "conformed" contracts as contracts in "Sent" status. Both terms are still in use.

Contracting Category - The five (5) major contracting categories within the City that contract for goods and professional services; Public Works; Service, Supply & Equipment (SSE); Personal & Professional Services (PPS); Miscellaneous Purchase Orders (MPOs) and Small Order Purchases. The other major contracting categories included in The City's annual and quarterly performance report(s) are Quasi-Public and Federal contracting.

Contractor - A person that has entered into a contract with a Commonwealth agency.

Construction - The process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property. The term does not include the routine operation or maintenance of existing structures, buildings or real property.

Disabled Business Enterprise (DSBE) - any legal entity, except a joint venture, that is for-profit and organized to engage in commercial transactions and that is certified as being 51 percent owned, managed and controlled by one or more disabled persons by one of the City's recognized third-party certification entities.

Disadvantaged Business Enterprise (DBE) - In accordance with the Philadelphia code: (a) a small business enterprise which is at least fifty-one percent (51 percent) 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 percent) 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.

Economic Opportunity Plan (EOP) - A plan submitted, pursuant to Chapter 17-1600 of The Philadelphia Code, by a Bidder that provides meaningful and representative opportunities for M/W/DSBEs to participate in all phases of a Covered Project or Contract and provides for an appropriately diverse workforce in all phases of the contract regarding minority, female and disabled persons. An EOP is a document created to ensure use of minority, women, and disabled-owned businesses on contracts over \$100,000.

EOP Project Status refers to the stage a project is in:

- a) Active - an EOP becomes "Active" when the first payment is initiated and remains active until all payments are made.
- b) Closed - all payments have been made on the project.
- c) EOP Drafting - OEO is in the process of developing an EOP for the project.
- d) Planning - an EOP has been developed, but payments have not yet been made on the project.
- e) Canceled - the project started, and payments were made, but at some point, the project was discontinued.
- f) Not Yet Awarded - an EOP has been developed, but the bid has not yet been awarded; this status, typically, occurs on city projects.

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eContract Philly – is an online interface to support the City in purchasing non-competitively bid services. This website serves as the gateway for the public and for vendors interested in applying for contract opportunities. Vendors must register to respond to opportunities in this system (URL: <https://secure.phila.gov/eContract/>).

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 M/W/DSBEs' 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.

Finance Office – oversees the City's financial, accounting, and budgetary functions. We also create policies, procedures, and internal controls to safeguard the City's funds.

Fiscal Year - The City of Philadelphia's fiscal year is July 1st through June 30th of the following calendar year.

Goal – A City-wide or departmental M/W/DSBE utilization objective or the M/W/DSBE subcontracting participation ranges within a solicitation and/or contract.

Invitation-To-Bid (ITB) - Includes all documents, including those either attached or incorporated by reference, used for soliciting quotes.

Local Business Enterprise (LBE) - A firm having a principal place of business in the City of Philadelphia and has satisfied the certification requirements as set forth by The Philadelphia Code 17-109, subsection 3, and approved by the Procurement Commissioner.

Majority-Owned Business – any for-profit business that is not beneficially owned and controlled by a minority, woman or disabled person.

Minority Business Enterprise (MBE) - Any legal entity that is organized to engage in commercial transactions, which is at least fifty-one percent (51%) owned and controlled by one or more minority persons; and which has been certified as minority-owned by one of the City's recognized third-party certification entities.

Minority Person – A person who is: a) African American, having origins in any of the Black racial groups in Africa; b) Hispanic American, a person of Spanish or Portuguese culture with origins in Mexico, South of Central American, or the Caribbean Islands, regardless of race; c) Asian American, having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands; or d) Native American, having origins in any of the original peoples of North America.

Minority, Women or Disabled Business Enterprise (M/W/DSBE) - Collective reference of MBEs, WBEs and DSBEs.

Miscellaneous Purchase Orders (MPOs) - contractual agreements for personal and professional services valued at or below \$34,000 (sometimes referred to as informal contracts). departments issue notices of opportunities and conduct their own selection process for these contracts.

Notice to Proceed - Notification to a prime contractor giving approval to begin work on an awarded contracted.

OEO Officer – An official of a Department with decision-making authority over the Department's procurement and contracting activities, who in collaboration with OEO, is responsible for the development of a departmental strategy to achieve Minority, Women, and Disabled Business (M/W/DSBE) participation.

Participation Report - A quarterly report prepared and issued by OEO to the Mayor and City Council that reports the dollar amount and percentage value of M/W/DSBE participation on City Contracts awarded to for-profit businesses.

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Payment Bond - An acceptable bond issued by a surety company authorized to do business as a surety in the Commonwealth of Pennsylvania and provided by a contractor solely for the protection of the City of Philadelphia and conditioned upon the faithful payment of subcontractors on the contract in accordance with the terms, requirements, plans, specifications, and conditions of the Contract.

Performance Bond - 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. An acceptable bond issued by a surety company authorized to do business as a surety in the Commonwealth of Pennsylvania and provided by a contractor solely for the protection of the City of Philadelphia and conditioned upon the faithful performance of the contract in accordance with the terms, requirements, plans, specifications, and conditions of the contract.

Performance Security Bond - 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 percent 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/>).

PHL Contracts - The Procurement Department's web-based system to increase competition and transparency for the vendor community as well as improve controls and value for all stakeholders. The system that allows all construction, supplies, equipment and non-professional service bids to occur electronically. All open bids with the City of Philadelphia are posted on this system. Vendors must register to bid on opportunities. (URL: <https://www.phlcontracts.phila.gov/bsol/>).

Philadelphia Authority for Industrial Development (PAID) - PAID is a public authority incorporated by the city of Philadelphia and organized to undertake three main activities. PAID is a vehicle through which PIDC manages properties and industrial sites on behalf of the city including property acquisition, improvement, environmental remediation and/or sale. PAID also issues taxable and tax-exempt bonds on behalf of non-profit organizations, qualified manufacturers, other exempt organizations, and the city of Philadelphia. PAID serves as a conduit for governmental contract and grant program funding for economic development projects throughout the city.

Philadelphia Industrial Development Corporation (PIDC) - PIDC is a non-profit organization founded by the city of Philadelphia and the greater Philadelphia chamber of commerce in 1958. PIDC's mission is to spur investment, support business growth, and foster developments that create jobs, revitalize neighborhoods, and drive growth to every corner of Philadelphia.

Prime Contractor - The vendor or contractor to whom a purchase order or contract is issued for purposes of providing goods or services.

Principal Place of Business - A location wherein a firm maintains a physical office and through which it obtains no less than fifty percent of its overall customers or sales dollars, or through which no less than twenty-five percent of its employees are located and domiciled either in the City of Philadelphia.

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Procurement Office - The Office that procures goods and services City-wide.

Project Types:

- a) City - any of the four major operating departments (aviation, public property, streets, and water) or citywide procurement projects from other departments
- b) Private/Nonprofit - projects in the private or nonprofit sector that meet the criteria to trigger an EOP
- c) 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.

Purchasing - The buying, renting, leasing, or otherwise obtaining or acquiring any supplies, materials, equipment, or services. "Purchasing" includes all functions that pertain to the obtaining or acquiring of any supplies, materials, equipment, or services, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Purchase Order - Written authorization for a contractor to proceed to furnish supplies, materials, equipment, or services in accordance with the invitation to bid, request for proposals, request for quotes, or work request and the awarded bidder's or vendor's bid, proposal, quote, or firm and unconditional offer. A purchase order constitutes the City's legal and binding acceptance of a bidder's or vendor's offer made through its bid, proposal, quote or firm and unconditional offer. A Purchase Order IS NOT a Master Blanket Purchase Order (MBPO)

Office of Economic Opportunity (OEO) - An Agency within the Commerce Department created to administer a comprehensive City-wide approach for advancing economic opportunities for M/W/DSBEs and promoting employment opportunities for diverse workers seeking jobs in the local economy. OEO administers this Order and Chapter 17-1600 of The Philadelphia Code and oversees performance of the responsibilities created by Section 17-1500 of The Philadelphia Code.

Request For Information (RFI) - A mechanism to allow for a buyer to gain a better understanding of project and/or contract requirements where product requirements, specifications, and purchase options cannot be clearly defined or are unknown. RFIs are for exploratory purposes only and do not lead to a contract and may not lead to a subsequent solicitation.

Request For Proposal (RFP) - Includes all documents, including those either attached or incorporated by reference, used for soliciting proposals.

Responsible - a Bidder that possesses the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance.

Responsive - a quote or proposal that conforms in all material respects to the requirements and criteria in the invitation to bid or request for proposals. Sometimes referred to as Responsive Proposal.

Self-Certifying - Firms that have identified themselves as small, minority or disadvantaged. These firms have not received certification from any agency that considers financial and other business indicators.

Spend Dollars - Dollars paid to prime and/ or subcontractors for contracted goods and/or services.

Services - The furnishing of labor, time, or effort by a contractor not involving the delivery of specific supplies, materials, equipment or other end product other than drawings, specifications, or reports that are merely incidental to the required performance. "Services" includes utility services, and those services formerly provided by public utilities such as electrical, telephone, water services. "Services" does not include building, altering, repairing, improving, maintaining, or demolishing a City building or City of Philadelphia real property.

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Service, Supply and Equipment (SS&E) - contracting opportunities for services, supplies, equipment, and demolitions which are subject to competitive bidding requirements. The Services, Supplies and Equipment Division (SS&E) centrally purchases commodities required by City departments to provide their services to the public.

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.

Special Services - The Special Services Unit provides various functions to other City agencies that include Advertising, Inspections and Asset Management.

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.

Subcontractor - Any vendor or contractor that is providing goods or services to a Prime Contractor in furtherance of the Prime Contractor's performance under a contract or purchase order with the City of Philadelphia.

Supplies - Any property, including but not limited to, equipment, materials, and leases of and installment purchases of tangible or intangible personal property. "Supplies" does not include buildings, real property, and leases of buildings or real property.

Vendor - A business enterprise that submits a proposal, quote, or firm and unconditional offer in response to a request for proposals, request for quotes, or work request. Interchangeable with "sellers, suppliers and/or contractors".

Women-Owned Business Enterprise (WBE) - any legal entity, except a joint venture, that is for-profit and organized to engage in commercial transactions and that is certified as being 51 percent owned, managed and controlled by females by one of the City's recognized third-party certification entities.

Waiver - OEO at its discretion may waive or reduce M/W/DSBE or EOP goal ranges.