

# City of Philadelphia



(Bill No. 100773-A)

## AN ORDINANCE

Declaring that it is desirable for the health, safety and welfare of the people in the area served by The Children's Hospital of Philadelphia and The Children's Hospital of Philadelphia Foundation for The Hospitals and Higher Education Facilities Authority of Philadelphia to participate with such institutions in constructing a new, 5-story ambulatory care center and making certain other capital improvements to such institutions' buildings and facilities primarily at their campus located at 34th Street and Civic Center Boulevard, Philadelphia, Pennsylvania.

WHEREAS, The Hospitals and Higher Education Facilities Authority of Philadelphia (the "Authority"), a body politic and corporate, was incorporated on February 9, 1974, pursuant to an Ordinance dated January 28, 1974, under the Municipality Authorities Act, now codified at 53 Pa. C.S., ch. 56 (the "Act"); and

WHEREAS, The Act specifies, *inter alia*, that the purpose of an Authority shall be for "... acquiring, holding, constructing, financing, improving, maintaining and operating, owning or leasing, either in the capacity of lessor or lessee, projects of the following kind and character: ... hospitals and health centers"; and

WHEREAS, The Children's Hospital of Philadelphia, a Pennsylvania nonprofit corporation and The Children's Hospital of Philadelphia Foundation, a Pennsylvania nonprofit corporation (collectively, the "Institutions") plan to undertake a project (the "Project") primarily at the Institutions' campus located at 34th Street and Civic Center Boulevard, Philadelphia, Pennsylvania, consisting of: (i) the construction of a new, 5-story ambulatory care center, a 5-level underground parking garage for 1,500 cars and other improvements relating to the ambulatory care center; (ii) undertaking certain other miscellaneous capital projects, equipment purchases and campus renovation; (iii) reimbursing the Institutions for certain costs heretofore incurred in connection with such projects; and (iv) the funding of reserves, payment of capitalized interest costs during construction, payment of bond issuance expenses and related costs and expenses (the "Project"); and

WHEREAS, with respect to the Project, the Institutions have agreed to comply with an Economic Opportunity Plan, substantially in the form set forth as Exhibit "A" hereto; and

WHEREAS, The Institutions have requested that the Authority issue its Hospital Revenue Bonds in an aggregate principal amount not to exceed Three Hundred Fifteen

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Million Dollars (\$315,000,000) (net of any original issue premium/discount) for the purpose of financing the costs of the Project; and

WHEREAS, The Act provides that none of the powers granted thereby shall be exercised in the construction, financing, improvement, maintenance, extension or operation of any project or projects which in whole or in part shall duplicate or compete with existing enterprises servicing substantially the same purposes; and

WHEREAS, The Act further provides that the foregoing limitation shall not apply to hospital projects or health centers to be leased to, or financed with loans to, public hospitals, nonprofit corporation health centers or nonprofit hospital corporations serving the public, if the municipality organizing the Authority for such project shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such facilities to have such facilities provided by or financed through such authority; now, therefore

## *THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. It is hereby declared desirable for the health, safety and welfare of the people in the area served by The Children's Hospital of Philadelphia, a Pennsylvania nonprofit corporation, and The Children's Hospital of Philadelphia Foundation, a Pennsylvania nonprofit corporation (collectively, the "Institutions"), to have The Hospitals and Higher Education Facilities Authority of Philadelphia (the "Authority") issue its Revenue Bonds, in one or more series, in an aggregate principal amount not to exceed Three Hundred Fifteen Million (\$315,000,000) (net of any original issue premium/discount) for the purpose of financing the costs of a project (the "Project") primarily at the Institutions' campus located at 34th Street and Civic Center Boulevard, Philadelphia, Pennsylvania, consisting of: (i) the construction of a new, 5-story ambulatory care center, a 5-level underground parking garage for 1,500 cars and other improvements relating to the ambulatory care center; (ii) undertaking certain other miscellaneous capital projects, equipment purchases and campus renovation; (iii) reimbursing the Institutions for certain costs heretofore incurred in connection with such projects; and (iv) the funding of reserves, payment of capitalized interest costs during construction, payment of bond issuance expenses and related costs and expenses (the "Project").

SECTION 2. The declaration made in Section 1 hereof extends to additional bonds to complete the Project and refunding bonds, which may be issued by the Authority, provided, however, that such declaration shall not be deemed authority to increase the scope of the Project.

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EXHIBIT A  
The Children's Hospital of Philadelphia  
Economic Opportunity Plan  
for  
Ambulatory Care Center Project

I. Project Description

The Children's Hospital of Philadelphia, a Pennsylvania nonprofit corporation and The Children's Hospital of Philadelphia Foundation, a Pennsylvania nonprofit corporation (collectively, the "Hospital") plan to undertake a project (the "Project") primarily at the Hospital's campus located at 34<sup>th</sup> Street and Civic Center Boulevard, Philadelphia, Pennsylvania, consisting of the: (i) construction of a new, 5-story ambulatory care center, a 5-level underground parking garage for 1,500 cars and other improvements relating to the ambulatory care center; (ii) undertaking certain other miscellaneous capital projects, equipment purchases and campus renovation; (iii) reimbursing the Hospital for certain costs heretofore incurred in connection with such projects; and (iv) funding of reserves, payment of capitalized interest costs during construction, payment of bond issuance expenses and related costs and expenses.

II. Plan Goals

The Hospital is committed to exercise its best and good efforts as defined in Chapter 17-1600 of the Philadelphia Code, to provide meaningful and representative opportunities for participation by minority-owned, woman-owned, disabled-owned business enterprises, and disadvantaged business enterprises ("M/W/DSBE/DBE") and minority, women and Philadelphia residents in all phases of the Project as set forth in this Economic Opportunity Plan ("Plan") which the Hospital has agreed to adopt in connection with all phases of the Project.

The following contracting participation ranges have been established for the Project:

- a.) Construction Contracts [including all capital projects and renovation]

MBE – 25-35%, WBE 10 -15%

In addition, the Hospital agrees to exhaust Best and Good Faith Efforts to cause its contractors to employ minority persons and females in their workforce of apprentices and journeymen at the following levels<sup>1</sup>:

- b.) Construction Workforce

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<sup>1</sup> These goals, which have been adopted by the Economic Opportunity Cabinet, are the recommendations of the Mayor's Commission on Construction Industry Diversity.

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Minority –50% minority apprentice and 25-35% journeymen  
Women –7% Female Apprentices, 7% Female Journeypersons

To ensure proper outreach for local residents, the Hospital intends to facilitate its contractors' participation in the Lucien E. Blackwell Apprenticeship Program at the University of Pennsylvania

### III. Procedures for Recruitment and Minority Opportunities

The Hospital, working in conjunction with the general contractor, will promote M/W/DSBE/DBE participation in the Project. This Plan will be included in all requests for proposals, bid packages, and solicitations for the Project. Pro-active outreach efforts will include:

- Review of Office of Economic Opportunity (OEO) Registry of Certified Firms and other OEO approved certification directories by specialty for submission of bid documents for phases of the Project
- Require the general contractor to identify local, qualified sub-contractors for project components
- Review of recent development project reports to identify qualified contractors for comparable services
- Identify appropriate steps to publicize contractor opportunities

### IV. Monitoring and Plan Execution

The Hospital anticipates retaining the services of an experienced local monitor to engage in specific monitoring steps to assist with Plan implementation. The Hospital will develop a monitoring and reporting protocol that will track the Plan developments from initiation of contracting through completion of construction activities. The protocol will include these features:

- Establish a working committee with owner representative, general contractor, and the monitor to review contractor opportunities prior to release of bids
- Execute recruitment activities outlined in previous section and provide a qualified M/W/DSBE/DBE list to all bidders prior to bid release
- Evaluate all qualified bid responses for M/W/DSBE/DBE inclusion

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- Coordinate with Philadelphia Building Trade Council project liaison for Philadelphia resident initiatives to pre-screen eligible trades members for contractor hiring

## V. Compliance and Enforcement

The Hospital will participate in the development of a project oversight committee upon the direction of the City. The Hospital anticipates that the oversight committee will conduct an ongoing review of the Plan execution and provide interim recommendations for compliance if the Hospital requires assistance in meeting program targets.

### Compliance and Enforcement

A. Hospital agrees that its compliance with the requirements of this Plan is material to the authorization provided by City Council Ordinance 100773. Failure by Hospital to comply with the Plan or cause its contractors to comply, is a substantial breach of this Plan and is subject to the remedies and penalties contained in Chapter 17-1605 of the Philadelphia Code. Notwithstanding the foregoing, no privity of contract exists between the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither Hospital nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

## VI. Records and Final Plan Reporting

The Hospital will provide data and submit reports consistent with current requirements of the City of Philadelphia. Draft reports will be submitted to the City on a quarterly basis and a final Plan project report will be available for public inspection.

This Plan, executed by an authorized representative of the Hospital, shall be effective upon adoption of Ordinance 100773 submitted for City Council's approval, and the Hospital's receipt of building permits for the Project.

THE CHILDREN'S HOSPITAL OF  
PHILADELPHIA

DATE: \_\_\_\_\_

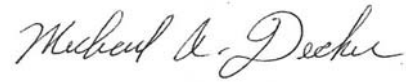
By: \_\_\_\_\_

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on December 9, 2010. The Bill was Signed by the Mayor on December 15, 2010.



Michael A. Decker  
Chief Clerk of the City Council