



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 000509

Introduced June 22, 2000

Councilmembers Clarke, Goode and Mariano

**Referred to the
Committee on Public Property and Public Works**

AN ORDINANCE

Amending Title 17 of The Philadelphia Code, entitled "Contracts and Procurement," by adding a new Chapter 17-900, entitled "Local Preference for Contracting and Procurement," by adding a preference for businesses that are owned and operate in the City of Philadelphia in City, City Agency and City-Related Agency contracts and procurement, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 17-900 The Philadelphia Code, relating to "Contracts and Procurement," is hereby added to read as follows:

TITLE 17. CONTRACTS AND PROCUREMENT

* * *

CHAPTER 17-900. LOCAL PREFERENCE FOR CONTRACTING AND PROCUREMENT.

* * *

§17-901 Definitions.

(1). Definitions. In this section, the following definitions apply:

(A) Business. Any business with a physical location and street address in the City of Philadelphia business.

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- (B) *City Contracts.* Any contract between the City and an employer to be paid in whole or in part by public funds or in kind contributions from the City, any contract between the City and an employer in which the employer makes payment to the City, any lease agreement between the City and a lessor or lessee., whether competitively bid or negotiated, including the following classes:
- 1) *vending to include material, equipment services and supplies;*
 - 2) *construction; and*
 - 3) *personal and professional services.*
- (C) *City Agency.* Any City of Philadelphia office, department, independent board or independent commission created by the Home Rule Charter and shall include the Council of the City of Philadelphia.
- (D) *City.* The City of Philadelphia.
- (E) *City Related Agency.* All authorities and quasi-public corporations which either:
- 1) *receive appropriations from the City; or*
 - 2) *have entered into continuing contractual or cooperative relationships with the City; or*
 - 3) *operate under legal authority granted to them by ordinance.*
- (F) *Doing Business in the City of Philadelphia.* Without excluding other activities that may not constitute doing business in the City of Philadelphia, a business shall not be considered doing business in the City of Philadelphia for the purposes of this section by reason of carrying on this City any one or more of the following acts:
- 1) *Maintaining or defending any action or administrative or arbitration proceeding or effecting the settlement thereof or the settlement of claims or disputes;*
 - 2) *Holding meetings of its directors or shareholders or carrying on other activities concerning its internal affairs.*

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- 3) *Maintaining bank accounts;*
 - 4) *Maintaining offices or agencies for the transfer, exchange and registration of its securities*
- (G) *Philadelphia-Based. Owners or employees must be residents. To qualify for this preference, the business must fall into at least one of the categories listed below:*
- 1) *The business is a corporation with the majority of its shares owned by residents of the City of Philadelphia.*
 - 2) *The business is a partnership with residents of the City of Philadelphia owning a majority beneficial interest in the partnership.*
 - 3) *The business is a sole proprietorship owned by a resident of the City of Philadelphia.*
 - 4) *The business (which will actually perform the service or provide the goods requested) is an individual (with no employees) who is a resident of the City of Philadelphia.*
 - 5) *Fifty percent (50%) or more of the business's full-time current employees are residents of the Philadelphia area.*
 - 6) *Any other business or professional entity where fifty-one percent (51%) of the interests are beneficially owned by residents of the City of Philadelphia and residents of the City of Philadelphia occupy the majority of the management and Board positions and control all decisions concerning the entity.*
- (H) *Resident. A resident of the City of Philadelphia is a person who occupies a dwelling in the City of Philadelphia and who manifests an intent to maintain that dwelling on a permanent basis.*
- (I) *Subcontractors. The business, or if a joint venture one of the parties of the joint venture, that will actually be performing the services or providing the goods solicited by this Request and will be responsible under any resulting contract will qualify for this Preference.*

§17-902. Preference For Philadelphia-Based Businesses (Bidders or Offerors) On Contracts Over \$15,000.

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(1) When sealed bids are received under Section 17-100, et. seq. of The Philadelphia Code for purchases in the amount of \$15,000 or higher, the following policies shall also be considered in the awarding of the contract:

- (A) The person or business submitting the lowest bid shall be deemed the lowest bidder. If the lowest bidder is not a Philadelphia-based business that does business in the City, any Philadelphia-based business with a bid within five percent (5%) of the lowest bid that has been deemed responsive and responsible according to the requirements of this Purchasing Ordinance, shall be deemed the lowest bidder if it agrees to reduce its bid to match the bid of the lowest bidder.*
- (B) If such a Philadelphia-based business refuses to reduce its bid to match the lowest bid, then the next lowest responsive and responsible Philadelphia-based business with a bid within five percent (5%) of the lowest bid shall be deemed the lowest bidder if it agrees to reduce its bid to match the bid of the lowest bidder.*
- (C) If no responsive and responsible Philadelphia-based businesses within five percent (5%) of the lowest bid agree to reduce their bids, then the contract shall be awarded to the person or business with the lowest, most responsive and responsible bid.*
- (D) No contract awarded pursuant to this Section shall be sublet in any manner that permits fifty percent (50%) or more of the dollar value of the contract to be performed by a subcontractor or subcontractors who do not meet the definition of "Philadelphia-based."*
- (E) Any Philadelphia-based business awarded a contract pursuant to this Section shall agree to make available to the City the records necessary to establish such eligibility.*
- (F) If requested, a business will be required to provide, within ten (10) working days of the request, documentation to substantiate the information provided on the form.*
- (G) Any business which must be registered under state law, must be able to show that it is a business entity in good standing if so requested.*

SECTION 2. This Ordinance shall take effect sixty (60) days after its enactment.

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Explanation:

Italics indicate new matter added.

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