



# City of Philadelphia

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

**BILL NO. 100496**

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**Introduced June 17, 2010**

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**Councilmembers Green, Jones, Tasco, DiCicco, Goode, Sanchez, Greenlee,  
Reynolds Brown, Krajewski, Kelly, Council President Verna,  
Councilmembers O'Neill, Miller, Blackwell and Clarke**

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**Referred to the  
Committee on Commerce and Economic Development**

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## **AN ORDINANCE**

Amending Chapter 19-300 of The Philadelphia Code, entitled "Bond Issues," by providing a preference for Philadelphia-based firms and professionals to render professional services in connection with the issuance of bonds by the City and City-related agencies, all under certain terms and conditions.

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

SECTION 1. Chapter 19-300 of The Philadelphia Code is hereby amended to read as follows:

### CHAPTER 19-300. BOND ISSUES.

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*§19-305. Local Preference for Bond Professionals.*

(1) *Definitions.*

(a) *Bond Ordinance. An ordinance that authorizes the issuance of debt by the City or any other agency, or that authorizes the City to enter into a service agreement with an agency under which the City is obligated to make payments to the agency in an amount sufficient to service the debt issued by the agency.*

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(b) *Bond Professional.* A person retained to provide professional services in connection with the issuance of debt by the City or any other agency, and who is paid out of the costs of issuance of such debt.

(c) *Philadelphia-based firm.* A company that maintains an office in Philadelphia with full-time and some employees based in Philadelphia to carry out its duties in connection with the issuance of debt, and has a trading desk for bonds in Philadelphia and such company is included on the list of qualified Philadelphia-based firms created under §19-305(3).

(d) *Philadelphia-based professional.* An individual or firm that who maintains an office in Philadelphia and performs a significant portion of the services from that office, and is included on the list of qualified Philadelphia-based professionals created under §19-305(3).

(2) *No Bond Ordinance shall be approved unless it requires that the selection of Bond Professionals is conducted in accordance with the requirements of this Section. Unless a Bond Ordinance approved after the date this Section became law expressly provides otherwise, it shall be construed to include a requirement that the selection of Bond Professionals be conducted in accordance with the requirements of this Section.*

(3) *Creation of Pre-Qualified Lists; Application of Chapter 17-1400.* The City Treasurer shall compile and update at least annually a list of Philadelphia-based firms and a separate list of Philadelphia-based professionals who are qualified and willing to be Bond Professionals. In compiling and updating such lists, the City Treasurer shall

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*follow the procedures and eligibility rules set forth in Chapter 17-1400 (relating to the award of non-competitively bid contracts) as if inclusion on a list constituted the award of a non-competitively bid contract. Once a Philadelphia-based firm or Philadelphia-based professional has been included on a list, the City or other agency may award a contract to render professional services in connection with the issuance of bonds to such firm or professional without conducting any further procedures that might otherwise be required by Chapter 17-1400, provided that such contract includes all provisions required by Chapter 17-1400.*

*(4) Local Preference Requirements.*

*(a) Local preference for managers and other dealers. In every issuance of debt all pre-qualified Philadelphia-based firms that so request shall be permitted to be co-managers and they shall be allocated a minimum of [##### percent] of such issuance to market and sell in the aggregate. The allocation for any one firm shall be decided by the Senior Manager(s). A Philadelphia-based firm shall be selected as senior manager or senior co-manager at least every fourth time a Bond Ordinance is approved by Council. The City Treasurer shall adopt procedures under which the selection of co-senior managers under this subsection shall rotate through the list of pre-qualified firms created under §19-305(3).*

*(b) Local preference for financial advisors. A Philadelphia-based firm shall be selected as financial advisor or co-financial advisor for every issuance of debt.*

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(c) *Local preference for bond counsel and other counsel. All bond counsel and all other counsel paid out of bond proceeds shall be Philadelphia-based professionals.*

(d) *Exceptions. The requirements of this subsection (4) shall not apply if the City Treasurer determines and certifies in writing that:*

(i) *The City or other contracting agency would incur 5% or more in aggregate fees or costs charged by Philadelphia-based professionals or Philadelphia-based firms than would be charged by non-Philadelphia-based firms. A copy of such written certification, specifying which local preference requirement would result in an increase in costs above 5% and detailing the basis for that conclusion, shall be provided to the Finance Director and to the President and Chief Clerk of City Council, and made publicly available on the City's official website.*

(ii) *A non-Philadelphia based Bond Professional holds specific expertise or ingenuity in a certain investing or financial strategy that the City requires; or*

(iii) *The City Treasurer otherwise determines and certifies in writing that compliance with the provisions of subsection (4) is not in the best interest of the City.*

(5) *Goals for Disadvantaged Businesses. Any goals for the participation of Disadvantaged Business Enterprises set forth in law, ordinance, regulation or policy shall also apply to the contract awarded to a Philadelphia-based professional or Philadelphia-based firm.*

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*(6) Reporting. Within 30 days of the closing of a bond issue, the allocation of bonds and fees received by each member of the underwriting syndicate, and a breakout of the costs of issuance, listing each Bond Professional and whether such Bond Professional is a Philadelphia-based firm or Philadelphia-based professional, shall be provided by the City Treasurer to the Finance Director and to the President and Clerk of Council, and shall be made publicly available on the City's official website.*

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**Explanation:**

[Brackets] indicate matter deleted.  
*Italics* indicate new matter added.

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