

## Legislation Text

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Authorizing the Committee on Commerce & Economic Development to conduct hearings regarding supplier diversity initiatives including Philadelphia Anchors for Growth & Equity.

WHEREAS, Philadelphia Anchors for Growth & Equity (“PAGE”) is a partnership between the City of Philadelphia, the Economy League of Greater Philadelphia, and leading university and health care nonprofit anchor institutions that seeks to increase local and diverse spending on the part of large institutional buyers to grow local businesses and create jobs; and

WHEREAS, At 24%, Philadelphians suffers from the highest rate of poverty of any major U.S. city, with 48% of Philadelphia households living below 200% of the federal poverty level, struggling to provide basic subsistence for their families; and

WHEREAS, The local economy does not have enough jobs, particularly for people without a college education; and

WHEREAS, One of the country’s most robust sectors of large, nonprofit "Eds and Meds" institutions, which spend \$5.3 billion a year on goods and services in aggregate, mostly with vendors outside the City, according to a 2014 estimate; and

WHEREAS, One analysis suggested that over \$500 million of that spend could be redirected to local suppliers, in sectors like food, medical services, medical and surgical appliances, building services, and others, which would result in over 5,000 direct and indirect jobs, which in turn could translate into a 2% reduction in the poverty rate, if hiring for those new positions were done from vulnerable and hard-to-employ populations; and

WHEREAS, From 2014 until 2022, anchor procurement in Philadelphia grew from a policy idea incubated in the City Controller’s office into an initiative supported by Philadelphia’s leading hospitals and universities; and

WHEREAS, The institutional buyers currently participating in PAGE include Aramark, Children’s Hospital of Philadelphia, Drexel University, Independence Blue Cross, Thomas Jefferson University and Health System, the University of Pennsylvania and Health System, La Salle University, St. Joe’s University, Temple University and Health System, whose respective procurement directors and senior leaders participate in regular meetings to shape PAGE and identify opportunities for localization and diversification in industries including construction, facilities, professional services, and food; and

WHEREAS, Since its inception in 2018, PAGE has grown into a robust 3-part initiative - PAGE R&D, PAGE Prep, and PAGE Capital, respectively aimed to map opportunities for localization and diversification, ensure that businesses are ‘job-ready’ for institutional supply chains, and that they have access to adequate capital; and

WHEREAS, In order to deepen the impact of PAGE, lower barriers to entry and facilitate deeper connections between anchor institution and local suppliers, the Economy League in partnership with Impact PHL and Social Venture Circle has developed a novel and nimble grant program called The Hurdle Fund, which to date has

disbursed more than \$100K in grants to diverse businesses that do business with anchor institutions; and

WHEREAS, The construction industry, accounting for one of the largest categories of spending at many of the participating anchor partners, is a particular focus of the PAGE initiative. The Economy League is forging partnerships with the GBCA and the Building Trades, among other construction-focused organizations, to ensure that adequate capacity is built among local MBE firms and that growth is adequately captured in metrics such as EOP reports.

WHEREAS, Where these institutional commitments align with the public interest they will standardize and share their progress towards diversifying and localizing their supply chains with City Council. Data from participating anchors will be compiled by the Economy League and provided for city officials for review on an annual basis, with an eye toward increasing meaningful participation for diverse local firms; and

WHEREAS, Leveraging existing institutional spending to create jobs and growth and helping local firms achieve scale and become 'tradeable' and competitive outside Philadelphia is a win-win opportunity for all participants and the residents of the City; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Council Committee on Commerce & Economic Development hold hearings regarding Philadelphia Anchors for Growth & Equity.