

Legislation Text

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Authorizing the Committee on Commerce & Economic Development to conduct hearings regarding Philadelphia Anchor Procurement Initiative.

WHEREAS, The Anchor Procurement Initiative ("API") 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 purchasing by large institutional buyers to grow local businesses and create jobs; and

WHEREAS, At 26%, 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 2017, 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 the API include Children's Hospital of Philadelphia, Drexel University, Thomas Jefferson University and Health System, The University of Pennsylvania, Einstein Healthcare System, La Salle University, St. Joe's University, Temple University, University of the Sciences, and University of Pennsylvania Health system, whose respective procurement directors participate in a quarterly meeting to shape API and identify opportunities for localization, such as food and medical laundry; and

WHEREAS, In order to expand the reach of API, the Economy League is building a matchmaking platform to allow for a greater number of connections between anchors and local suppliers; and

WHEREAS, Recirculating wealth and income within the region 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 Anchor Procurement Initiative.