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Proposing an amendment to The Philadelphia Home Rule Charter to change City procurement procedures and requirements; and providing for the submission of the amendment to the electors of Philadelphia.

WHEREAS, The opportunity for economic mobility and wealth creation through entrepreneurship is an underpinning of the American Dream; and

WHEREAS, The City of Philadelphia, with its quasi-public partners, spends over $1 billion annually on goods, services, and construction. Ensuring that small businesses and enterprises located or doing business in Philadelphia have access and opportunity to compete for City contracts contributes to local job creation, lifting residents from poverty and providing access to family-sustaining incomes; and

WHEREAS, Under Section 6 of the First Class City Home Rule Act (codified as 53 P.S. § 13106), an amendment to The Philadelphia Home Rule Charter may be proposed by a resolution of the Council of the City of Philadelphia adopted with the concurrence of two-thirds of its elected members; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the following amendment to The Philadelphia Home Rule Charter is hereby proposed and shall be submitted to the electors of the City on an election date designated by ordinance:

ARTICLE VIII
PROVISIONS OF GENERAL APPLICATION

* * *

CHAPTER 2
CONTRACTS, PROCUREMENT, PROPERTY AND RECORDS

§ 8-200. Contracts.

(1) Except in the purchase of unique articles or articles which for any other reason cannot be obtained in the open market, competitive bids shall be secured before any purchase, by contract or otherwise, is made or before any contract is awarded for construction, alterations, repairs or maintenance or for rendering any services to the City other than professional services and, except as provided in subsection (5) below, the purchase shall be made from or the contract shall be awarded to the lowest responsible bidder and in conformity with any procedure established by the Procurement Department by regulation, designed to appropriately maximize accessibility by vendors, maximize transparency to the public, and minimize costs to the City; provided, however, that City Council may, by ordinance, prescribe bid preferences for *small* businesses, *enterprises* located in or doing business in Philadelphia *("local businesses"), and businesses that are both small and local*, and provided further that Council may, by ordinance, regulate the process by which purchases and contracts not subject to the lowest responsible bidder requirement of this paragraph are awarded, and may require that contracts with agencies (as that term is defined in subsection 6-400(c) of this Charter) or with other entities

include provisions obligating such agencies or entities to comply with any process established by Council under the authority of this subsection, except that such regulations may not require Council authorization of a contract unless Council authorization is required by some other provision of this Charter.

* * *

(2) Except as authorized by Section 8-200(2.1) and 8-200(4), if any purchase or contract required to be awarded to the lowest responsible bidder involves an expenditure of more than seventy-five thousand dollars ($75,000), which amount shall be adjusted every fiscal year as rounded to the nearest one thousand dollars ($1,000) to reflect the percentage change in the most recently published Consumer Price Index for All Urban Consumers (CPI-U) All Items Index, Philadelphia, Pennsylvania, United States Department of Labor, Bureau of Labor Statistics, the following procedure shall be applicable:

* * *

(f) To the extent permitted by Commonwealth law, in relation to any contract for the construction, reconstruction, alteration or repair of any public building or other public work or public improvement, the Procurement Department, with the agreement of the City Solicitor, may allow for the following:

(.1) the exclusion from the cost of the bid of reasonable acquisition costs for any bond or financial security; or

(.2) the reduction of the level of bonding normally required; or

(.3) the acceptance of alternative forms of security.

* * *

(2.1) In lieu of compliance with Section 8-200(2), the Procurement Department may establish a procedure for the award of contracts to or the purchase from *small* businesses *and* [located or doing business in Philadelphia,] *local businesses,* as *those terms are* defined by ordinance, *and businesses that are both small and local,* subject to the following:

(a) The purchase or contract requires an expenditure of less than *$500,000* [$100,000], which amount shall be adjusted every fiscal year, as rounded to the nearest one thousand dollars ($1,000), to reflect the percentage change in the most recently published Consumer Price Index for All Urban Consumers (CPI-U) All Items Index, Philadelphia, Pennsylvania, United States Department of Labor, Bureau of Labor Statistics.

[(b) The contract is not for the erection, remodeling or alteration of, or addition to, any building or structure.]

[(c)]*(b)* All applicants for the contract have submitted such bid security or annual bond as the Procurement Department *and the City Solicitor determine* [determines] is sufficient.

[(d)] *(c)* For contracts or purchases involving an expenditure in excess of the amount set forth at Section 8-200 <https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-265716>(2), as adjusted: compliance with subsections (c) (security), (d) (contract) and (e) (bond) of Section 8-200 <https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-265716>(2).

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Explanation:

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

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