# EXECUTIVE ORDER 14-08

## ESTABLISHMENT OF AN ECONOMIC OPPORTUNITY CABINET AND OFFICE OF ECONOMIC OPPORTUNITY

## BACKGROUND

WHEREAS, the Delaware Valley region is one of the largest economies in the nation, and connecting Philadelphia businesses and workers to economic opportunities will improve our City's prospects for growth; and

WHEREAS, the expansion of business and employment opportunities which will enable all of the citizens of Philadelphia to obtain jobs that pay a living wage is crucial to the City's efforts to improve public safety and create sustainable, healthy neighborhoods; and

WHEREAS, increasing the ability of small businesses in Philadelphia to take advantage of markets in the City, region, and beyond is vital to Philadelphia's economic development; and

WHEREAS, the 2002 U.S. Census reports that there are approximately 20,295 minority owned businesses and 18,976 woman owned businesses in Philadelphia but only 4% of these businesses are currently certified by the City to participate on City contracts as minority and woman owned businesses; and

WHEREAS, a study of City of Philadelphia contracting data conducted by Econsult Corporation and completed in June 2008, shows statistically significant disparities in the use of minority and women owned businesses available to participate in City contracts; and

WHEREAS, the Mayor's Advisory Commission on Construction Industry Diversity is studying the underrepresentation of minority persons and women in the building trades for the purpose of providing recommendations concerning apprenticeship, trades union membership, and deployment of journeymen; and

WHEREAS, the City anticipates spending approximately $1 Billion of public funds and grants for construction projects over the next six years. The City desires that minority persons and women are given fair access to employment on public works projects funded pursuant to City contracts and that minority, woman and disabled owned businesses are given equal opportunity to compete for these contracts; and

WHEREAS, the Commonwealth of Pennsylvania's Convention Center Expansion project and private sector development related to the expansion present over $1 Billion of new business opportunities in the City. During the construction phase, 2400 construction and construction-related jobs will be created. After completion of the expansion project, an increase in tourism revenue is anticipated and the annual projected new hotel room revenue will be $140 Million.

Construction jobs and spin-off jobs created by this major public works project will provide opportunities for small and minority and women owned businesses; and

WHEREAS, these new business and employment opportunities necessitate the need for the coordination of business development tools and programs, the promotion of economic opportunity for our residents, and the development of efficient business certification processes and aggressive monitoring and enforcement systems; and

WHEREAS, the current structure and responsibilities of MBEC as created by Executive Order 02-05 are not responsive to these needs; and

WHEREAS, in order to increase access to business and employment opportunities, improve participation levels and compliance with citywide goals for Minority, Woman and Disabled Owned Businesses, a restructuring and realignment of functions and responsibilities is necessary.

NOW, THEREFORE, I, Michael A. Nutter, Mayor of Philadelphia, by the powers vested in me in accordance with Sections 1-102 and 4-100 of the Philadelphia Home Rule Charter, do hereby ORDER:

**SECTION 1. Establishment and Purpose of an Economic Opportunity Cabinet**

A. Economic Opportunity Cabinet ("EOC") Established. An Economic Opportunity Cabinet is hereby established to oversee the development and implementation of City-wide goals for the robust participation of Minority ("MBE"), Woman ("WBE") and Disabled ("DSBE") owned business enterprises (collectively, "M/W/DSBEs") in City contracts, to advance economic opportunities for M/W/DSBEs and to establish benchmarks for substantially increasing the membership and hourly deployment of minority and female tradespersons in the building trades unions and construction industry.

B. Membership. Members of the EOC shall be the Mayor, Managing Director, Finance Director, City Solicitor, Chief Integrity Officer, Deputy Mayor for Planning and Economic Development, Deputy Mayor for Transportation and Utilities, Deputy Mayor for Health and Opportunity, Deputy Mayor for Public Safety, and the Procurement Commissioner.

C. Meetings. The EOC shall be chaired by the Mayor and meet no less than quarterly.

**SECTION 2. Establishment and Purpose of the Office of Economic Opportunity**

A. Office of Economic Opportunity ("OEO") Established. The Office of Economic Opportunity is created within the Commerce Department to further implement the goals and objectives of the EOC.

B. Structure. An Executive Director of the OEO will manage the daily activities of this office. The Executive Director will receive policy and strategic direction from the

Economic Opportunity Cabinet and will report to the Director of the Office of Neighborhood and Business Services for administrative support and to ensure the coordination of and access to business growth and development programs and services within the Department of Commerce.

C. Responsibilities.

(i) Subject to Section 3 below, the duties of the Minority Business Enterprise Council and its Advisory Board (collectively, "MBEC") (including those set forth in Executive Order 2-05, as extended) are hereby transferred to the OEO and the MBEC is hereby disestablished. The OEO will work cooperatively with the Office of Neighborhood and Business Services to identify contracting opportunities for M/W/DSBEs in City contracts.

(ii) The Executive Director of the OEO shall provide monthly reports to the EOC and recommend to the EOC Annual Participation Goals for M/W/DSBEs for all City departments and agencies. The Executive Director shall, on or before January 31, 2009, furnish to the EOC, an "Economic Opportunity Strategy" that presents a plan for the promotion of economic opportunity. The strategy should include recommendations for the following:

1. Improving the certification of M/W/DSBEs under the City's programs;

2. Establishing a protocol for the collection of data for use by the EOC and other City Agencies. This task should include recommendations for improving the usefulness of the Annual Disparity Study in the development of City-wide goals and methods for collecting workforce demographic information;

3. Integrating Chapter 17-1600, the Economic Opportunity Plan Ordinance, into the functions of the OEO which shall include coordination with the Office of Neighborhood and Business Services. Integration shall include a plan for administrative oversight of Economic Opportunity Plan(s);

4. Implementing, as appropriate, recommendations of the Mayor's Advisory Commission on Construction Industry Diversity for the purpose of increasing building trades union membership and employment opportunities for City residents;

5. Facilitating the orderly transfer of certification files and functions relating to administration of the Disadvantaged Business Enterprise Program under 49 C.F.R Parts 23 and 26 to the administration of the Deputy Mayor for Transportation and Utilities and the Procurement Department ;

6. Providing a mechanism for promptly addressing and managing M/W/DSBE grievances relating to contract compliance; this mechanism must include a system of escalating complaints to the Procurement Department and Office of the Inspector General; and

7. Legislative revisions relating to the improvement of economic opportunity in the City.

**SECTION 3. Administration of the Federal Disadvantaged Business Enterprise Program**

A. Pennsylvania Unified Certification Program (PaUCP). The Deputy Mayor for Transportation and Utilities will oversee and manage in the Division of Aviation, the certification of Disadvantaged Business Enterprises ("DBEs") and Airport Disadvantaged Business Enterprises ("ACDBEs") pursuant to 49 Code of Federal Regulation Parts 23 and 29 and in accordance with a Pennsylvania Unified Certification Program Cooperative Memorandum Agreement, dated November 30, 2001, as amended.

B. City-Wide DBE Program Administration In addition to the certification of DBEs and ACDBEs, the Division of Aviation, under the direction and oversight of the Deputy Mayor for Transportation and Utilities, will administer City-wide compliance under the federal Disadvantaged Business Enterprise Program for all City departments and agencies receiving federal financial assistance requiring implementation of a Disadvantaged Business Enterprise Program. Administration will include the preparation of DBE and ACDBE program revisions, annual submission of DBE Goal updates, provision of DBE Contract Goals, establishment of a Good Faith Efforts Review Committee, post award compliance monitoring and all other matters relating to DBE program administration.

10/1/08
**DATE**

**MICHAEL A. NUTTER, MAYOR**