

EXECUTIVE ORDER NO. 5-89

WHEREAS, Section 8-102 of the Philadelphia Home Rule Charter empowers the Mayor to revise the estimate of financial requirements for each office, department, board and commission of the City and for other agencies receiving City appropriations (excepting only City Council and the Auditing Department unless they consent) in order to avoid deficits; and

WHEREAS, The Mayor has determined it may be necessary to reduce expenditures for the remainder of the fiscal year in order to reduce or avoid a possible deficit and preserve the financial health of the City; and

WHEREAS, successful implementation of any responsible deficit reduction strategy mandates a comprehensive internal review of all spending to identify areas of additional savings;

NOW, THEREFORE, I W. Wilson Goode, Mayor of the City of Philadelphia, by the power vested in me in accordance with Section 8-102 of the Philadelphia Home Rule Charter, do hereby order as follows:

1. Effective immediately, there is imposed a ninety day moratorium on all encumbrances and expenditures for Purchase of Services (Class 200) pending review of same by the Director of Finance.
2. This order applies directly to any expenditure or encumbrance from the General Fund and indirectly to expenditures and encumbrances from any other fund that may require a commitment from the General Fund (for example, grant matching requirements, audit disallowances, etc).
3. Departments with Purchase of Services (Class 200) encumbrances and expenditures considered "emergency" may have the ninety day waiting period waived by petitioning The Office of the Director of Finance (Budget Bureau). "Emergency" petitions must be grouped as follows:
 - (a) Health and Safety
 - (b) Judgements and Court Orders
 - (c) Human Services Providers
 - (d) Other

"Emergency" petitions will be reviewed on a weekly basis by the Director of Finance, the Managing Director, and the Mayor's Special Counsel.

4. Concurrent with the above, a two phase analysis of Purchase of Service (Class 200) will be conducted. This analysis will encompass (1) review of all year-to-date encumbrances and expenditures and (2) review of projected encumbrances and expenditures for the balance of the fiscal year.
5. To assist in this review, all departments will prepare two detailed summations of their:
 - (1) year-to-date and (2) projected encumbrances and expenditures utilizing the following format:

<u>Contractor</u>	<u>Amount of Contract</u>	<u>Purpose of Contract</u>	<u>Business Terms</u>
			termination clauses penalties if terminated consequences of termination

6. For departments under a cabinet member, the above reports are to be routed through their respective cabinet official who will submit them to the Director of Finance. All other departments will submit reports directly to the Office of the Director of Finance.

7. Reports are due in the Office of the Director of Finance no later than:

(a) For year-to-date encumbrances and expenditures: forty five (45) days from the effective date of this order.

(b) For projected encumbrances and expenditures: ninety (90) days from the effective date of this order.

8. This order does not apply to the offices, departments, boards and commissions listed below:

Court of Common Pleas
Municipal Court
Traffic Court
Prothonotary
Register of Wills
Sheriff
District Attorney
Board of Revision of Taxes
Board of View

9. This order shall be effective immediately.

10-3-89

DATE



W. WILSON GOODE, MAYOR

EXAMPLE

DEPARTMENT OF PUBLIC HEALTH

PROJECTED OBLIGATIONS

10/1/89 - 12/31/89

<u>REF. #</u>	<u>CLASS</u>	<u>CONTRACTOR OR VENDOR</u>	<u>AMOUNT</u>	<u>PURPOSE</u>	<u>BUSINESS TERMS</u>
4-1	250	ABC HEALTH SYSTEMS	\$200,000	TO PROVIDE PRISON HEALTH SERVICES	CANCEL WITH 30 DAYS NOTICE; IF TERMINATED, CITY RISKS COURT ACTION
4-2	250	JOHN DOE, ESQ.	\$12,500	TO PROVIDE LEGAL SERVICES FOR MENTALLY ILL HEARINGS	CANCEL WITH 30 DAYS NOTICE; MANDATED BY STATE LAW
4-3	260	FIX IT, INC.	\$60,000	TO REPAIR LAB EQUIPMENT	CANCEL WITH 30 DAYS NOTICE;
4-4	211	VARIOUS	\$20,000	EDUCATION & TRAINING	---
4-5	285	COPY, INC.	\$20,000	RENTAL OF COPIERS	TERMINATION WOULD SUBJECT CITY TO DEFAULT PENALTIES & POTENTIAL COURT ACTION & LOSS OF EQUIPMENT
4-6	211	VARIOUS-PETTY CASH	\$3,000	REIMBURSEMENT FOR STAFF TRAVEL TO AIDS CONFERENCE	---
4-7	211	PETTY CASH	\$5,000	STAFF TRAVEL WITHIN CITY (TRANS PASSES)	---