

**City of Philadelphia
Economic Opportunity Plan
SCMC Properties
611-19 N. 2nd Street, Philadelphia, PA 19106**

I. Introduction, Definitions, Goals and Diversity Practices

The Philadelphia Authority for Industrial Development ("PAID"), strongly encourage the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged¹ ("DBEs") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in all aspects of the SCMC Properties, LLC ("Purchaser") located at 611-19 N. 2nd Street ("Property") which may include financial investment, design, construction and operations. In support of this objective, PAID will require that Purchaser and any subsequent Developer commit to this Economic Opportunity Plan ("EOP" or "Plan") and that Purchaser further commits that if Purchaser transfers all or any part of its interest in the Property within five (5) years of the conveyance of the Property by PAID to Purchaser, any subsequent developer of the Property must also commit to this Plan.

This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with development of the Property. This Plan shall be made a part of, and incorporated into all bids and any resulting agreement(s) entered into between Purchaser and any participant in connection with Property.

Neither Purchaser nor any participant shall discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, gender identity, ancestry, age, or handicap in the award and performance of contracts pertaining to this Plan. Applicant is required to submit a statement summarizing current and past practices relating to its diversity practices. Attachment "A" to this Plan is provided for this purpose and should be submitted with Applicant's proposal although the City reserves the right to request it at any time prior to contract award.

Purchaser hereby verifies that all information submitted to the Office of Economic Opportunity ("OEO") in response to this Plan, is true and correct and is notified that the submission of false information is subject to the penalties of 18 Pa.C.S. Section 4904 relating to unsworn falsification to authorities and 18 Pa.C.S. Section 4107.2 (a)(4) relating to fraud in connection with minority business enterprises or women's business enterprises.

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply effort of firms that are certified as M/W/DSBEs by

¹Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.

an OEO approved certifying agency² will be eligible to receive credit as a Best and Good Faith Effort. In order to be counted, certified firms must successfully complete and submit to the OEO an application to be included in the OEO Registry which is a list of registered M/W/DSBEs maintained by the OEO and available online at www.phila.gov/oEO/directory.

For this Plan, the term “Best and Good Faith Efforts,” the sufficiency of which shall be in the sole determination of the City, means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by M/W/DSBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are rebuttably presumed met, when commitments are made within the M/W/DSBE Participation Ranges established for this development and a commitment is made to employ a diverse workforce as enumerated herein.

II. Goals

1. M/W/DSBE Participation Ranges

As a benchmark for the expression of “Best and Good Faith Efforts” to provide meaningful and representative opportunities for M/W/DSBEs in the Property’s development, the following participation ranges have been established. These participation ranges represent, in the absence of discrimination in the solicitation and selection of M/W/DSBEs, the percentage of MBE, WBE and DSBE participation that is reasonably attainable through the exercise of Best and Good Faith Efforts. These percentages relate to the good faith estimated cost of the entire Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g. MBE and WBE and DSBE or WBE and DSBE) will only be credited toward one participation range as either an MBE or WBE or DSBE. The firm will not be credited toward more than one category. These ranges are based upon an analysis of factors such as the size and scope of the development and the availability of MBEs, WBEs, DSBEs and DBEs to participate in this development:

MBE		WBE		DSBE
15% - 20%	and	15% - 20%	and	BGFE

²A list of “OEO approved certifying agencies” can be found at www.phila.gov/oEO

2. Employment Goals

Purchaser agrees to exhaust Best and Good Faith Efforts to employ minority persons and females in its workforce of apprentices and journeymen at the following levels³:

- Minority Apprentices – 50% of all hours worked by all apprentices
- Minority Journeymen – 32% of all journey hours worked across all trades
- Female Apprentices – 7% of all hours worked by all apprentices
- Female Journeypersons - 7% of all hours worked across all trades

III. Responsiveness

A. Purchaser shall identify all M/W/DSBE commitments and other agreements evidencing its intent to use Best and Good Faith Efforts to employ minority persons and females at the levels stated herein on the form entitled, "M/W/DSBE Participation and Workforce Commitments." The identified commitments on this form constitutes a representation that the M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Purchaser has entered into a legally binding commitments or other legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the dollar/percentage amount(s) set forth on the form. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern. The Purchaser and its Developer also agree to maintain the M/W/DSBE percentage commitments throughout the period that is 5 years from the date that PAID conveys the Property to Purchaser.

B. M/W/DSBE commitments are to be memorialized in a written subcontract agreement. Letters of intent, quotations, contracts, subcontracts and any other documents evidencing commitments with M/W/DSBEs, including the M/W/DSBE Participation and Workforce Commitments Form, become part of and an exhibit to the Agreement.

C. OEO will review Purchaser's commitments for the purpose of determining whether Best and Good Faith Efforts have been made. OEO reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project and until five years from the date PAID conveys the Property to Purchaser.

For a period of five (5) years from the date of Closing, if Purchaser or its Developer makes any changes in its contracts that have been approved by OEO under the Plan, or if Purchaser at the time of execution of the Agreement or Closing has not yet identified contracts entered into for the development of operation of the Project, then Purchaser or its Developer shall have the

³ These goals, which have been adopted by the Economic Opportunity Cabinet, are the recommendations of the Mayor's Commission on Construction Industry Diversity.

obligation for such 5 year period from Closing to inform OEO of any changes to the approved Plan and shall use Best and Good Faith Efforts to use M/W/DSBEs for any new contracts.

IV. Compliance and Monitoring of Best and Good Faith Efforts

A. Purchaser agrees to cooperate with OEO in its compliance monitoring efforts, and to submit, upon the request of OEO, documentation relative to its implementation of the Plan, including the items described below:

- Copies of signed contracts and purchase orders with M/W/DSBE subcontractors;
- Evidence of payments (cancelled checks, invoices, etc.) to subcontractors and suppliers to verify participation; and
- Telephone logs and correspondence relating to M/W/DSBE commitments.
- To the extent required by law, the Purchaser shall ensure that all its on-site contractors maintain certified payrolls which include a breakout of hours worked by minority and female apprentices and journeypersons; these documents are subject to inspection by OEO.

B. Prompt Payment of M/W/DSBEs

1. The Purchaser agrees and shall cause all its contractors to ensure that all M/W/DSBEs participating in the Project receive payment for their work or supply effort within five (5) business days after receipt of a proper invoice following satisfactory performance.

C. Oversight Committee

1. For this Project, in the sole discretion of the City, an oversight committee may be established consisting of representatives from PAID, Purchaser, representatives of the building trades, the construction manager, the City which may include the Project site's District Councilperson, OEO, and appropriate community organizations ("Committee"). The Committee will meet regularly to provide advice for the purpose of facilitating compliance with the Plan.

V. Remedies and Penalties for Non-Compliance

A. The Purchaser agrees that its compliance with the requirements of this Plan is a material inducement for the Agreement and Purchaser's failure to substantially comply with the Plan may result in enforcement actions and the imposition of penalties as authorized by Sections 17-1605 and 17-1606 of The Philadelphia Code. Notwithstanding the foregoing, no privity of contract exists between PAID, the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither PAID nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

STEVEN J. CHRISTINI 2/25/15
PRINT NAME OF Purchaser⁴ DATE

Steven J. Christini 2/25/15
SIGNATURE OF Purchaser⁴ DATE

Angela Bowd-Burton 2/26/2015
ANGELA BOWD-BURTON, Executive Director, Office of Economic Opportunity⁵ DATE

⁴ The Purchaser is required to print, sign and date, but the City reserves the right to obtain the Purchaser's signature thereon at any time prior to Plan certification. The Purchaser will receive from the City a certified copy of its Plan which should be filed with the Chief Clerk of City Council within fifteen (15) days of the purchase and published by OEO, in a downloadable format, on the OEO website.

⁵ Pursuant to Section 17-1603 (2) of The Philadelphia Code, the representative of the City of Philadelphia's Office of Economic Opportunity, the "certifying agency", certifies that the contents of this Plan are in compliance with Chapter 17-1600.