

Philadelphia Gas Works

Economic Opportunity Plan for the Procurement of Natural Gas

I. Background

The City of Philadelphia ("City") and the Philadelphia Gas Works ("PGW") strongly encourage the inclusion of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged¹ ("DBEs") Business Enterprises (collectively, "DBEs") and minority and female workers in economic opportunities arising under their procurement systems.

PGW's DBE Goals for FY2015 are in the range of 17%-21% and have applied to its capital and non-fuel expenditures. The purchase of natural gas is PGW's largest annual expenditure but because of its specialized nature and regulatory framework which includes least cost fuel procurement methods, it has not been subject to these goals. It is currently estimated that PGW spends approximately \$200-350 Million annually on natural gas. Efforts, as more fully described below, have already been made by PGW to identify DBE suppliers of natural gas.

PGW seeks to continue its gas purchase program as set forth in City Council Bill No 150443. PGW commits to use its Best and Good Faith Efforts to source DBE suppliers of natural gas in connection with its gas purchase program. The term "Best and Good Faith Efforts" means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by DBEs.

II. Plan

PGW, in its exercise of Best and Good Faith Efforts under this Economic Opportunity Plan ("Plan"), commits to the following actions which are an express condition to the authorization provided under Council Bill No. 150443:

1. Solicitation directed to DBEs registered with OEO and DBEs certified by agencies approved by OEO. PGW agrees to follow up on any initial solicitations with DBEs; and
2. Provide interested DBEs with adequate information about its gas purchase program and requirements of contracting with PGW in a timely manner and will offer assistance to DBEs in responding to a solicitation; and
3. Offer arms length business assistance to interested DBEs which may include providing access/introduction to large multinational corporate suppliers of natural gas; and

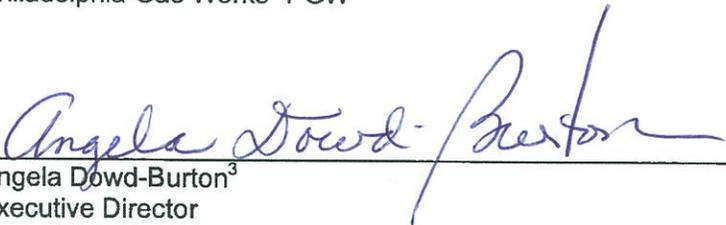
¹Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.

4. Make targeted solicitations of DBEs through recognized gas industry associations such as the American Gas Association; and
5. Rigorously communicate its policies of nondiscrimination in the hiring, retention and promotion of employees; and
6. Encourage equity investment by DBE investors as a means of facilitating DBE growth in the gas industry; and
7. Perform periodic outreach to identify DBE suppliers of natural gas to effectuate the overall objectives of this Plan.

III. Term and Reporting Requirements

The term of this Plan shall be the "Authorized Period" as defined in Council Bill No. 150443 which shall commence on the effective date of the Ordinance and end August 31, 2020. PGW shall submit reports on October 1, 2015, October 1, 2016, October 1, 2017 and October 1, 2018 with the Gas Commission and the Executive Director of the OEO reviewing its implementation of and compliance with this Plan.


Raymond Shyder² 5-11-2015
Date
Senior Vice President
Philadelphia Gas Works "PGW" BG


Angela Dowd-Burton³ 5/14/2015
Date
Executive Director
City of Philadelphia
Office of Economic Opportunity

² The Owner's Representative is required to sign and date, but the City reserves the right to obtain the Owner's Representative signature thereon at any time prior to Plan certification. The Owner Representative 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 issuance and published by OEO, in a downloadable format, on the OEO website.

³ 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.