City of Philadelphia
Economic Opportunity Plan

Penn Medicine Patient Pavilion

EOP version November 2, 2016
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Introduction and Definitions</td>
<td>2</td>
</tr>
<tr>
<td>II. Project Scope</td>
<td>2</td>
</tr>
<tr>
<td>III. Goals</td>
<td>2</td>
</tr>
<tr>
<td>IV. Equity Ownership</td>
<td>3</td>
</tr>
<tr>
<td>V. Diversity Practices</td>
<td>4</td>
</tr>
<tr>
<td>VI. Responsiveness</td>
<td>6</td>
</tr>
<tr>
<td>VII. Compliance and Monitoring of Best and Good Faith Efforts</td>
<td>6</td>
</tr>
<tr>
<td>VIII. Remedies and Penalties for Non-Compliance</td>
<td>7</td>
</tr>
</tbody>
</table>
I. Introduction and Definitions

The City of Philadelphia strongly encourages the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged ("DBEs") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in all aspects of the Penn Medicine Patient Pavilion (the "Project") located at One Convention Avenue, Philadelphia PA 19104 ("the Site") which may include financial investment, design, construction, and operations. In support of this objective, The Trustees of the University of Pennsylvania, owner and operator of the University of Pennsylvania Health System (the "Owner") commit to this Economic Opportunity Plan ("EOP" or "Plan"). This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with the Project at the Site. This Plan shall be a part of and incorporated into the resulting agreement(s) with the owners of the Project.

The Owner hereby verifies that all information submitted to the Office of Economic Opportunity ("OEO") in response to this Plan is true and correct and takes notice 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 efforts of firms that are certified as M/W/DSBEs by an OEO-approved certifying agency 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 the Project and a commitment is made to employ a diverse workforce as enumerated herein.

II. Project Scope

The Project will be an approximately 1.5 million square foot medical facility primarily for inpatient services. The Project will include approximately 500 inpatient rooms, 50 operating rooms and interventional spaces, imaging, an emergency department, clinical and non-clinical support for these services, and parking.

III. Goals

A. 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 Project, the following participation ranges have been

1 Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.
2 A list of "OEO approved certifying agencies" can be found at www.phila.gov/oeo
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 ranges are based upon an analysis of factors such as the size and scope of the Project and the availability of MBEs, WBEs, and DSBEs to participate in this development.

The following contract goals have been set for the Project:

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Minority Owned</th>
<th>Female Owned</th>
<th>DSBE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction/ professional</td>
<td>25-30%</td>
<td>10-15%</td>
<td>BGFE</td>
<td>35-40%</td>
</tr>
<tr>
<td>services</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

B. Employment Goals

The Owner agrees to exhaust its Best and Good Faith Efforts to employ minority persons, by race and ethnicity, and females in its workforce of apprentices and journeypersons at the following levels:

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Laborer Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>30%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>27%</td>
</tr>
<tr>
<td>Asian</td>
<td>3%</td>
</tr>
<tr>
<td>Total Hours</td>
<td>60%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Skilled Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>18%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>10%</td>
</tr>
<tr>
<td>Asian</td>
<td>2%</td>
</tr>
<tr>
<td>Total Hours</td>
<td>30%</td>
</tr>
</tbody>
</table>

| Women (all races/ethnicities) | 5% |

The Labor Standards Unit shall have the responsibility of administering oversight of these Workforce Goals including monitoring Contractor and its Participants’ Best and Good Faith Efforts towards realization of the goals.
IV. Equity Ownership

The Philadelphia Code 17-1603 requires that each Economic Opportunity Plan include information concerning the Equity Ownership (as defined) of (1) the contractor, developer and/or recipient of financial assistance required to submit the Plan; (2) participants (as defined) engaged by the contractor, developer and/or recipient of financial assistance; and (3) the eventual owner or owners of the project or contract to which the Plan relates; and requiring periodic reports for the purpose of updating Equity Ownership information; all under certain terms and conditions.

Identify the current equity owners of the project.

<table>
<thead>
<tr>
<th>Type of Ownership</th>
<th>% Minority Owned</th>
<th>% Women-Owned</th>
<th>% Disabled Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole Proprietorship</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Partnership</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Corporation</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Following the completion of the project, the project owner is responsible for meeting the reporting guideline identified in the Philadelphia Code.3

V. Diversity Practices

In compliance with Chapter 17-1603, the Economic Opportunity Plan shall contain a statement from the contractor, developer, and/or recipient of financial assistance summarizing past practices by identifying and describing examples of processes used to develop diversity at any/all levels of its organization including, but not limited to, Board and managerial positions. This statement shall also summarize strategic business plans specific to current or past practices of M/W/DSBE utilization on government and non-government projects and procurement.

1. Describe employment and recruitment policies used to achieve diversity in your workforce.

It is the policy of UPHS to promote the utilization of women and minorities in all phases of the design, development, construction, and maintenance of the Project. The fundamental goal of UPHS is that all contractors, vendors, and consultants who contract with UPHS satisfy UPHS that they have made their “best efforts” to involve in such work as many women and minorities, or firms owned by women and minorities, as possible. This has been a longstanding principle of the UPHS’s procurement policies and, as a result, UPHS has developed extensive experience in maximizing economic opportunities for minorities and women in connection with its day-to-day operations as well as its development initiatives. UPHS will bring this experience to bear in ensuring the successful implementation of the Economic Opportunity Plan.

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3 Per The Philadelphia Code 17-1603: Continuing Reporting Requirements.
(i) Within 30 days of each anniversary of the date that the Plan is finally certified, the contractor, developer and/or recipient of financial assistance shall file with the Chief Clerk of Council and the certifying agency an addendum to the original Plan that provides the Equity Ownership information required in subsection (g)(2), updated so that it is accurate as of the anniversary date. This requirement shall continue until the project is completed.
(ii) The final EOP report required pursuant to § 17-1604(2)(a) shall include updated Equity Ownership information that is accurate as of the date of the final report.
(iii) After the final EOP report has been filed, the owner or owners of the completed project shall have a continuing obligation to file a Statement of the owner's or owners' Equity Ownership within 30 days of each anniversary of the date that the final EOP report is submitted. The Statement shall be accurate as of the relevant anniversary date, and shall be filed with the Chief Clerk of Council and the certifying agency. No Statement shall be required if the completed project is not privately-owned.
2. Provide the race, gender, and residential (local) status of your:

<p>| | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>A. Directors</td>
<td>The University’s Board of Trustees has a diverse and international membership (see attached list). There are 60 Trustees of which 18 are women. Ten Trustees are local residents.</td>
</tr>
<tr>
<td>B. Management</td>
<td>Of the five members of the University’s senior management team, 20% are women and 20% are African American. The remainder are Caucasian. 40% are residents of the City of Philadelphia.</td>
</tr>
<tr>
<td>C. General Workforce</td>
<td>Women, 52%; African American, 13%; Asian, 10%; Latino, 3%. 47.7% of the general workforce are residents of the City of Philadelphia.</td>
</tr>
</tbody>
</table>

3. Identify your organization’s methods of solicitation and utilization of Minority, Woman and Disabled Businesses (M/W/DSBEs). Please be specific in describing outreach and any procurement policies that are focused on creating or sustaining business relationships with M/W/DSBEs.

The General Statement of University Policy and the Economic Opportunity Obligations of the University’s Contractor are included in the general conditions of the Construction Management Agreement. Contracted and workforce participation goals are included in all Penn contracts and are tracked by an independent auditor on projects with construction costs over five million dollars.

4. What percentage of your company’s total spend with vendors and suppliers is attributable to M/W/DSBEs? Please include a list of the largest M/W/DSBEs used by your organization in the last 12 months.

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>A. Identify the type of goods or services purchased.</td>
<td>The University purchases a wide variety of goods and services to operate the University and its Health System.</td>
</tr>
<tr>
<td>B. Amount of the contract.</td>
<td>The University averages approximately $100 million per year in total construction spending on projects of $5 million or more, and averages over $30 million per year or 30% of this spending with minority and women owned businesses.</td>
</tr>
<tr>
<td>C. Indicate if any of these M/W/DSBEs are listed in the City of Philadelphia’s Office of Economic Opportunity Registry.</td>
<td>Many of the firms utilized by the University are listed in the City’s registry.</td>
</tr>
<tr>
<td>D. Are these companies certified as M/W/DSBEs? Do you rely on any particular certifying agency?</td>
<td>Penn requires that minority or women owned businesses have a certification from a recognized certifying agency, and does not rely on one particular certifying agency.</td>
</tr>
</tbody>
</table>
5. Describe any initiatives made by your organization to increase investment and promote equity ownership by minorities and women.

In addition to the Economic Inclusion Committee and project inclusion goals described above, Penn has been involved in many initiatives to promote Economic Inclusion. Penn supported the Lucien E. Blackwell Pre-Apprenticeship Program, has presented capital project opportunities at meetings of the National Minority Contractors Association and the Enterprise Center, and in June of 2016 conducted a minority and women owned business subcontractors in the construction industry capital project information session. This information session included presentations on upcoming University and Penn Medicine capital projects, along with the prequalification and bid processes for subcontractors. The event concluded with a networking session with many of the construction managers and general contractors that work on Penn projects. Penn is also currently sponsoring a class of approximately 25 students in the ACE (Architecture, Construction, and Engineering) Mentor program for high school students. Along with GBCA and CHAD, Penn is assisting to develop a pre-apprenticeship program for high school juniors and seniors.

VI. Responsiveness

A. The owner shall identify M/W/DSBE commitments and other agreements evidencing their intent to use Best and Good Faith efforts to employ minority persons and females at the levels stated herein. The identified commitments constitute a representation that the M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Owner has entered into 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 amounts set forth. 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.

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 become part of and an exhibit to the Agreement resulting from the RFP.

C. OEO will review the owner’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.

VII. Compliance and Monitoring of Best and Good Faith Efforts

A. The owner 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 Owner shall ensure that 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

The owner agrees and shall cause its contractors to ensure that M/W/DSBEs participating on the Project receive prompt payment for their work or supply effort within five (5) days after receipt of payment from the project owner.

C. Oversight Committee

For this Project, in the sole discretion of the City, an oversight committee may be established consisting of representatives from the Owner, representatives of the building trades, the construction manager, and 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.

D. Reporting

The owner agrees to file an annual report with the City of Philadelphia and City Council concerning the performance of the Economic Opportunity Plan through the duration of the Project. In addition, during construction, the Owner will provide "snapshot" reports containing updates for certain categories of information contained in its annual report on a monthly basis during construction. Snapshot reporting will include: (i) utilization of M/W/DSBEs, and (ii) the hiring and employment of minorities and females. All reports (quarterly & annually) provided to the City under this section will also be provided to the Office of Economic Opportunity.

VIII. Remedies and Penalties for Non-Compliance

A. The owner agrees that its compliance with the requirements of this Plan is material to the Agreement. Failure to comply with the Plan may constitute a substantial breach of the Agreement and is subject to the remedies and penalties contained therein or otherwise available at law or in equity. Notwithstanding the foregoing, no privity of contract exists between the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither the Owner 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.
Stephen Greulich
Senior Project Manager
The Trustees of the University of Pennsylvania, owner and operator of the University of Pennsylvania Health System
3737 Market Street | Suite 1200 | Philadelphia, PA 19104
215.834.7135
stephen.greulich@uphs.upenn.edu

Iola Harper
Deputy Commerce Director for the Office of Economic Opportunity
Department of Commerce
City of Philadelphia

4 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.

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.
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Ms. Andrea Mitchell, Vice Chair

Communications to or concerning the Board of Trustees may be directed to:
the Office of the University Secretary, 1 College Hall, Room 211, Philadelphia, PA 19104-6303.
Phone: 215/898-7005, Fax: 215/898-0103

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June 17, 2016:

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Newark, NJ

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Singapore, Singapore

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