



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 120009

Introduced January 26, 2012

**Councilmembers Green, Jones, Goode, Greenlee, Blackwell, Council
President Clarke, Councilmembers Johnson, Quiñones Sánchez, Reynolds
Brown and O'Neill**

**Referred to the
Committee on Finance**

AN ORDINANCE

Amending Title 17 of The Philadelphia Code, entitled “Contracts and Procurement,” by adding a new Chapter, entitled “First Source Jobs Policy,” requiring the creation of a registry of City residents for the purpose of employment referral and further requiring that Beneficiaries of certain City Financial Assistance use such registry as the first source for all hiring related to any new, entry-level job created as a result of such Financial Assistance, all under certain terms and conditions.

WHEREAS, The rate of unemployment in Philadelphia recently rose to 10.9 percent at a time when the unemployment rate is declining nationally, throughout much of New Jersey and Pennsylvania, including counties located nearest to Philadelphia and within the Philadelphia-Camden-Wilmington Metropolitan Statistical Area; and

WHEREAS, The Pennsylvania Unemployment Compensation Law was amended recently to require benefit recipients to register with employment search or employment referral services effective January 1, 2012, in order to maintain unemployment compensation benefit eligibility; and

WHEREAS, The City desires to compile and maintain a registry for employment referral purposes for Philadelphia residents who are seeking employment; and

WHEREAS, The City further desires to leverage its grants of Financial Assistance to create jobs and economic opportunities for Philadelphia residents; and

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WHEREAS, The goal and intent of the City is that entry-level jobs created directly or indirectly by a grant of Financial Assistance be filled by workers on the City's employment referral registry; and

WHEREAS, Beneficiaries of certain grants of City Financial Assistance should use the City's employment referral registry as the "First Source" for filling new, entry-level jobs attributable to Financial Assistance; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 17 of The Philadelphia Code is amended as follows:

TITLE 17. CONTRACTS AND PROCUREMENT.

* * *

CHAPTER 17-1900. FIRST SOURCE JOBS POLICY.

§ 17-1901. Definitions.

(1) *Beneficiary.* A private party, including a for-profit or nonprofit organization, that is the direct recipient of Financial Assistance.

(2) *City.* Any office, department, board, commission or other agency of the City of Philadelphia.

(3) *City-related Agency.* All authorities and quasi-public corporations which either: receive appropriations from the City, have entered into continuing contractual or cooperative relationships with the City, or operate under legal authority granted to them by City ordinance.

(4) *Community Referral Agency.* Any organized job registry or employment referral organization operated by a nonprofit organization or union approved by the Designated Department as satisfying the following requirements:

(a) *The agency has established a community membership base and record of conducting outreach in low- and moderate- income neighborhoods in Philadelphia; and*

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(b) *The agency has a track record of nondiscriminatory employment referral and job placement with respect to race, color, religion, national origin, gender, gender orientation, age, marital or family status, or disability unrelated to job ability.*

(5) *Designated Department. The City department or agency designated by the Mayor to be responsible for the overall implementation and enforcement of the “First Source Jobs Policy” as set forth in this Chapter.*

(6) *Entry-level Job. Work that requires little or no formal vocational training, education or prior experience in the field or profession beyond on-the-job training.*

(7) *Financial Assistance. Any grant, loan, tax incentive, bond financing subsidy for land purchase or otherwise, or other form of assistance that is provided to a Beneficiary in the amount of twenty-five thousand dollars (\$25,000) or more through the authority or approval of the City, including, but not limited to, Tax Increment Financing (TIF) aid, industrial development bonds, use of the power of eminent domain, Community Development Block Grant (CDBG) aid or loans, airport revenue bonds, and Enterprise Zone or similar economic development zone designations (such as Keystone Opportunity Zones, Keystone Opportunity Expansion Zones, Keystone Opportunity Improvement Zones, and Economic Development District Zones), but not including any assistance to which a Beneficiary is entitled under a law enacted before the Beneficiary applied for or requested such assistance.*

(8) *First Source Candidate. An individual on the First Source Registry who meets the minimum qualifications and requirements of an entry-level job.*

(9) *First Source Employment Agreement. An agreement between the City or City-related Agency and a Beneficiary which implements the provisions of the Chapter.*

(10) *First Source Registry. A listing of Philadelphia residents compiled and maintained by the Designated Department for the purpose of employment referrals.*

(11) *First Source Period. A period of ten (10) business days following notice by Beneficiary to the Designated Department of new, entry level jobs projected or created as a direct or indirect result of Financial Assistance.*

§ 17-1902. *First Source Jobs Policy.*

(1) *No award of Financial Assistance by the City shall be approved by Council unless the City requires, as a condition of receiving such assistance, that the Beneficiary enter into a First Source Employment Agreement with the Designated*

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Department or its designee. Such agreement shall require the Beneficiary to use the First Source Registry as its initial source for filling all new, entry-level jobs created directly or indirectly as a result of such Financial Assistance.

(2) *Any contract, lease, grant condition or other agreement entered into by the City with any City-related Agency shall contain a provision requiring the City-related Agency to abide by the provisions of this Chapter in the award of Financial Assistance to a Beneficiary.*

§ 17-1903. *Duties of the Designated Department.*

The Designated Department, working in conjunction with other City departments, agencies and Community Referral Agencies, as necessary, shall be authorized to:

- (1) *Establish written procedures to implement the First Source Jobs Policy;*
- (2) *Compile and maintain the First Source Registry;*
- (3) *Approve and execute First Source Employment Agreements;*
- (4) *Approve Community Referral Agencies;*
- (5) *Compile and administer all applications, agreements, forms and other documentation necessary to comply with the provisions of this Chapter;*
- (6) *Make determinations in writing, as to whether Beneficiaries are in compliance with the provisions of this Chapter;*
- (7) *Make determinations as to whether any penalties for noncompliance are appropriate;*
- (8) *Review and report on the First Source Jobs Policy; and*
- (9) *Carry out any other duties as necessary to implement the provisions of this Chapter.*

§ 17-1904. *Duties of Beneficiaries.*

Each Beneficiary shall enter into a First Source Employment Agreement and shall use Good Faith Efforts, as set forth in § 17-1908, to comply with the provisions therein. Each Beneficiary shall make a good faith effort to fill 100 percent of new, entry level jobs created directly or indirectly as a result of Financial Assistance with First Source

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Candidates, and, after the expiration of the First Source Period, each Beneficiary shall be free to fill entry-level jobs from other sources.

§ 17-1905. *First Source Registry.*

The Designated Department is authorized to compile and maintain an up-to-date First Source Registry. In compiling and maintaining the First Source Registry, the Designated Department shall contact other City offices and agencies, City-related Agencies, community-based organizations, and any other approved Community Referral Agency for participants.

§ 17-1906. *First Source Employment Agreement.*

The First Source Agreement (the “Agreement”) shall establish the hiring process for all new, entry-level jobs created as a direct or indirect result of Financial Assistance to a Beneficiary in order to implement the First Source Jobs Policy. The Agreement shall include, but is not limited to, the following:

(1) *The Beneficiary shall notify the Designated Department of new, entry-level jobs, including a general description of the job and the minimum requirements for qualified job applicants.*

(2) *The Beneficiary shall not make any public announcement or advertisement of any new, entry-level job created directly or indirectly as a result of Financial Assistance during the First Source Period.*

(3) *The Designated Department shall provide a list of First Source Candidates from the First Source Registry to the Beneficiary as referrals for employment for new, entry-level job, unless there are no First Source Candidates for the specific job.*

(4) *The Designated Department or its designee shall develop and maintain a tracking system to record the First Source Candidates interviewed, not interviewed, offered employment and hired by each Beneficiary.*

(5) *The Agreement shall require the Beneficiary to use good faith efforts to comply with the First Source Jobs Policy, but shall not require the employer to hire any First Source Candidate referred under the terms of the Agreement.*

(6) *The First Source Period shall be waived only if a new entry-level job will be filled by the transfer or promotion of the Beneficiary’s existing or former employees.*

§ 17-1907. *Reporting Requirements.*

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The Designated Department shall report on the First Source Jobs Policy to City Council on a quarterly and annual basis.

(1) Quarterly reports. On January 31, April 30, July 31 and October 31 of each year, a written report shall be filed with the President and Chief Clerk of Council, with a copy to the Department of Records and a copy published on the City's official website. Each report shall provide the information set forth in subsection (3) with respect to the three month period ending one month prior to the date the report must be filed.

(2) Annual reports. By September 30 of each year, an annual report shall be filed with the President and Chief Clerk of Council, with a copy to the Department of Records and a copy published on the City's official website. The report shall provide the information set forth in subsection (3) with respect to the prior fiscal year.

(3) Reports shall include the following information:

(a) The name of each Beneficiary for which a First Source Employment Agreement was executed;

(b) The amount of the benefit received by each Beneficiary;

(c) The number of new, entry-level jobs covered by each Agreement;

(d) The number of First Source Candidates interviewed by each Beneficiary;

(e) The number of First Source Candidates employed by each Beneficiary;

*(f) The total number of City residents on the First Source Registry;
and*

(g) An aggregation of the above information.

§ 17-1908. Good Faith Compliance.

Good Faith efforts to comply shall be evidenced by documentation submitted by a Beneficiary to the Designated Department which includes the following:

(1) Timely, written notification projecting new, entry-level jobs;

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(2) *Written description of specific job qualifications and the minimum requirements for each new, entry-level job;*

(3) *Timely, written notification of the First Source Candidates that were either contacted, interviewed, hired or rejected.*

§ 17-1909. *Penalties.*

If the Designated Department determines that a Beneficiary has not complied with the provisions set forth in this Chapter, it may recommend that the City exercise, through appropriate channels, one or more of the following remedies:

(1) *Withhold payment(s) or any part thereof related to the Financial Assistance pending corrective action.*

(2) *Require reimbursement of an appropriate amount of the Financial Assistance already provided to the Beneficiary.*

(3) *Suspend a Beneficiary from bidding on and/or participating in future City contracts for up to three (3) years.*

SECTION 2. The provisions of this Ordinance shall become effective six (6) months from the date this Ordinance becomes law.

Explanation:

Italics indicate new matter added.

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