

# DR. WALTER P. LOMAX, JR., TRANSPARENCY IN BUSINESS ACT (WPL-TIBA)

## LEGISLATIVE PACKAGE

### FACT SHEET

#### WHAT IS THE DR. WALTER P. LOMAX, JR., TRANSPARENCY IN BUSINESS ACT (WPL-TIBA) LEGISLATIVE PACKAGE?

The Dr. Walter P. Lomax, Jr., Transparency In Business Act (WPL-TIBA) Legislative Package aims to answer the questions to the right, and more. The legislation consists of three separate bills that aim to bring transparency, specifically around the areas of diversity and inclusion, to municipal contracts. The legislative package is named after Dr. Walter P. Lomax, Jr., who passed away on October 10, 2013. Dr. Lomax was a physician, entrepreneur, and philanthropist, as well as the founder of The Lomax Companies, the corporate umbrella for real estate investment firm Lomax Real Estate Partners, technology firms Prime Image and MyArtistDNA, and WURD Radio. Dr. Lomax was laser-focused on ensuring that Black and Brown people have access to economic opportunity. Several of his firms were successful in winning highly competitive bids to provide services to both municipal and state government. Dr. Lomax was keenly aware that some of his success came from the role of government in helping to give him, as a Black man, access to economic opportunity.

#### WHAT DOES THE WPL-TIBA LEGISLATIVE PACKAGE DO?

Residents of the City of Philadelphia have a right to know who is benefiting and building wealth from doing business with their local government. This legislation would bring transparency to what has traditionally been an opaque bidding process.

The legislative package would require that any firm bidding to do business with the City to publicly disclose the demographics, such as: race, ethnicity, gender identity of their firm (staff, executives, board, etc.), along with information regarding salary range, job title, and length of employment. The firm would also be required to provide information regarding the firm's prior business with the City in the past five years, if applicable. The legislation would apply to both contractors and subcontractors on contracts for both goods and services. The legislation would also require contractors on competitively bid services contracts to disclose the demographics of the entities from which they draw workers. The information required by the legislation would be publicly housed on the City's website.



HAVE YOU EVER  
WONDERED WHO ARE THE  
FIRMS BENEFITING FROM  
DOING BUSINESS WITH  
THE CITY?

WHAT ARE THE  
DEMOGRAPHICS OF THESE  
FIRMS IN TERMS OF RACE,  
ETHNICITY, AND GENDER  
IDENTITY?

WHAT DO THESE FIRMS'  
EXECUTIVE TEAMS LOOK  
LIKE?

WHAT DOES THEIR  
STAFFING LOOK LIKE?

WHAT ARE THEIR  
STAFFERS' SALARY  
RANGES?



FOR MORE INFORMATION

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#### WHAT DOES THE WPL-TIBA LEGISLATIVE PACKAGE NOT DO?

The legislative package does not prevent any firm from competitively bidding on City contracts. It just requires that they provide certain information in order to secure a contract with the City. The legislative package also does not establish “quotas” for demographics of staff and firm leadership. In other words, the information that will be collected from these firms will not be used to deny any firms the opportunity to bid on City contracts.

#### WHAT IS THE PROBLEM THIS LEGISLATION IS TRYING TO ADDRESS?

Despite serious efforts and best intentions over the past few decades, we have failed to significantly move the needle on having the firms that manage contracts for the City be reflective of our population. Philadelphia is a “majority minority” city, meaning the majority of our citizens are minority. And yet, according to the City’s Office of Economic Opportunity, each year, the City aims to reach just 35 percent participation from minority, women, and disabled-owned enterprises (M/W/DSBEs) on its contracts.

Furthermore, minority, women, and disabled-owned businesses are encouraged to get certified as an M/W/DSBE and then register with the City. The process of getting certified is not simple, particularly since the City stopped certifying firms. If a firm wants to get certified, they often have to hire a lawyer or an accountant, or both, and then go through a lengthy certification process with a certification agency. After getting certified, the M/W/DSBE firm must then register with the City. The onus is also on the firm to maintain both its certification and its registration with the City.

To get certified, a business must have at least 51 percent ownership by a minority, woman, or person with a disability. While gathering this information is a good start, many have said it does not go far enough. It does not provide information about the firm’s executive team or staff. For example, is the firm minority-owned, but then all of the rest of the staff is non-minority? Or, for example, are all the higher-paid jobs going to non-minority individuals, whereas only lower-level jobs are going to minorities? This type of information is not captured by our current system.

So, what do non-minority owned firms have to do in order to bid on contracts with the City? Nothing. All they have to do is bid. While well-intentioned, it is almost as if the system we created to help M/W/DSBE firms has instead placed an even heavier burden on them, in terms of both time and money.

Finally, while the City does require information around race, ethnicity, and gender on certain types of contracts and projects, we do not collect such information on all competitive bids for goods and services, and for contractors and subcontractors. Additionally, the City certainly does not share this information in any meaningful, public way, such as on the City’s website.

#### HOW WILL THIS LEGISLATION BE IMPLEMENTED?

When firms enter into City contracts, they will agree, as part of their contract, to provide information on demographics such as race, ethnicity, gender identity of their firm (staff, executives, board, etc.), along with information regarding salary range, job title, and length of employment. The firm will also agree to provide information regarding the firm’s prior business with the city in the past five years, if applicable. The firm will agree to provide this information for both contractors and subcontractors. If the bidder is unwilling to provide this information, then no contract shall be entered.

For competitively bid services contracts valued at one hundred thousand dollars (\$100,000) or more, firms must also agree to provide demographic data on the workforce of each “labor source” from which workers are likely to be drawn in performance of a contract for any City contract. A labor source is a defined pool of trained and qualified individuals from which workers can be secured by agreement or through other means from an entity other than the contractor itself, including but not limited to: a business, union hiring hall, job training organization, or registered apprenticeship program. The City will collect demographic data from each labor source that is not a City contractor or subcontractor on an every 6 month basis, rather than on every contract, and will inform firm when labor source demographic data is needed to satisfy the disclosure requirements.

Disclosures shall be submitted to the Department of Labor, or such other office as designated by the Mayor, at such times as determined by regulation. Violation of any requirement of this legislation or of the provisions of a City contract required shall be considered a substantial breach of the contractor’s obligation under the contract.

No later than April 1st of each year, the Director of Labor or such other officer as designated by the Mayor shall provide an annual report to the Mayor and the Clerk of Council summarizing the disclosures received during the previous calendar year. A copy of the report shall be posted on the City’s official website.