

KATHERINE GILMORE RICHARDSON
COUNCILMEMBER, AT-LARGE
MAJORITY LEADER

CITY HALL, ROOM 581
PHILADELPHIA, PA 19107
PHONE: 215-686-0454 or 0455
Twitter: CouncilwomanKGR
Facebook: CouncilmemberKGR
Instagram: CouncilmemberKGR
www.phlcouncil.com/KatherineGilmoreRichardson/



CITY OF PHILADELPHIA

CITY COUNCIL

COMMITTEES

Chair
Finance
Law and Government

Member

Appropriations
Commerce & Economic Development
Labor & Civil Service
Licenses & Inspections
People with Disabilities & Special Needs
Rules

August 27, 2024, Non-Profit Task Force Meeting Notes

Participants for Today's Meeting:

1. Amarynth Ruch, Tacony CDC
2. Andy Toy, PACDC
3. Arthur Fields, Gaudenzia
4. Arun Prabhakaran, UAC
5. Ayana Bradshaw, Health Promotion Council/PHMC
6. Casey O'Donnell, Impact Services
7. Cynthia Figueroa, JEVS
8. David Chiles, Lutheran Settlement House
9. Emily Dowdall, Reinvestment Fund
10. Jamila Harris-Morrison, Achievability
11. Karen Buck, Senior Law
12. Ken Bigos, AHCOPA
13. LaShawnda Tompkins, Procurement
14. Linda Donovan, RHD
15. Maritza Padua, Women Against Abuse
16. Matt Rader, PHS
17. AnnMarie McDowell, CORA
18. Michael Cooke, Office of Council President Kenyatta Johnson
19. Otis Bullock, Greater Philadelphia Community Alliance
20. Rachel Meadows, Mayor's Office
21. Regan Kelly, NET
22. Regina Kelly, JFK Community Behavioral Health
23. Rida Haq, VIP
24. Sarah Robinson, Philadelphia Bar Association
25. Shani Meachem, Valley Youth House
26. Soneyet Muhammad, Episcopal Community Services
27. Vanessa Garrett-Harley, OCF

Topics for Task Force Discussion/Review:

1. Review of meeting guidelines, which were shared in the agenda
 - a. All participants should share the goal of improving the City's business practices with non-profit organizations and work in good faith to achieve that goal.
 - b. Each task force member will have the opportunity to participate at every meeting; however, due to the size of the group and to ensure all members have an opportunity to participate, we will limit speaking opportunities to twice per meeting for a maximum of two minutes.
 - c. The task force's priorities will be selected by the group at large through a vote on suggested topics for discussion.
 - d. The task force will meet at least once monthly with the goal of releasing recommendations in December 2024. Additional meetings will be scheduled in order to meet the timeline.
 - e. Questions regarding meeting times, meeting schedules, and other task force business should be directed to the Office of Majority Leader Katherine Gilmore Richardson. Please email eliza.alford@phila.gov or call 215-686-0454.
 - f. Once the task force issues its recommendations to the Mayor and the Council President, the business of the task force will be concluded.

2. Meeting Dates
 - a. Thursday, September 26 at 2 PM – Location: TBD likely City Hall
 - b. Thursday, October 17 at 2 PM– Location: TBD likely City Hall
 - c. Thursday, November 14 at 2 PM– Location: TBD likely City Hall
 - d. Wednesday, December 4 at 2 PM– Location: TBD likely City Hall

3. Topics for Task Force Review
 - a. Billing, invoicing, and payment
 - i. Indirect recovery rate
 1. Change in federal government payment indirect rates
 - ii. Working capital
 1. Gross delay in payments leads non-profits to draw down lines of credit, which costs money and is not reimbursable by City, so contracts are costing orgs money
 - iii. Non-profit accounting different than for-profit
 1. City sets how much orgs spend on each thing – overhead v. cost of service
 - a. City over indexes how much has to be spent on direct and underestimates what needs to be spent on indirect
 2. Non-profits should be able to spend same way as for-profit
 - iv. Fiscal margins are so narrow these days that all of these issues are weighing heavily on organizations
 - v. Invoicing and reimbursement process
 1. Forms are all based on previous form, so you cannot start next invoice until you receive payment for current invoice because everything builds

- 2. Emailing issue is difficult because you do not know everyone who you need to talk to every time
 - vi. City used to offer advances on some contracts to avoid gaps
 - 1. Federal government is now fronting funds
 - vii. Issues with co-mingling funds from different levels of government
 - viii. Guidelines/Use between Class 200 and 500 funding
- b. Contracting timelines and conformance
 - i. Unitary contract
 - ii. Implementation of RFP process
 - iii. Use of multi-year contracts
 - iv. Timing of contracting
 - 1. Orgs are often asked to start and complete work before a contract is conformed, that can no longer happen with RFP process
 - 2. Shortest timeline seen for RFP process is 2 months and then it takes months to get actual contract language
 - 3. How contract timelines impact payment timelines
 - v. If budget passes in June, services will be delayed because RFPs will not be able to be issued and completed by July 1
- c. Overall context of what is happening in sector right now
 - i. End of covid funding
 - ii. Moving away from racial justice focused funding from private donors
 - iii. Many orgs are going through strategic planning going into 2025
- d. Other entities that could be contract partners with City to remove administrative burden from City
 - i. Commerce has used PIDC for example
- e. Communication with departments
 - i. A lot of times orgs apply for things with the City and never hear back at all and they cannot find information online
 - ii. Must communicate with lots of different people within departments for different administrative issues
- f. Technology issues/improvements
- g. Issues with understaffing in City Departments impacting implementation of changes
- h. Sole source contracting – highly specialized organizations that may need unique approach to ensure they stay intact
- i. Cost of service v. high quality of service
- j. Outsourcing of government services to private non-profit providers

- i. Understanding lay of the land or mapping out what we think of as government services, but are actually private services
- k. Equity issue
 - i. Local research has shown Black and Brown orgs are most dependent on government funding, so they are most impacted by issues with service and will be most impacted by changes
 - ii. Many Black and Brown orgs primarily serve Black and Brown communities and have Black and Brown employees, so this work is impactful all the way down the chain
 - iii. Small v large non-profits
 - 1. Smaller orgs are more dependent on city contracts and more impacted by delays in payment
 - 2. Barriers with RFP response and back end/administrative work
- l. Reducing barriers for organizations working together
- m. Human side of this work when payment isn't timely:
 - 1. People still need service
 - a. Cannot stop service for those who need it most because of mission, but there is also a liability issue
 - b. State mandates to be trauma-informed healing centers/organizations and if there will be shifts in services or gaps in services, the impact on those receiving service will keep them from meeting that mandate
 - 2. Employee turnover
- n. Conflict resolution needs to exist in the City, so Council offices do not need to be mediators between non-profit organizations and the Administration when there are issues with payments, contracts, etc.
 - i. OMB at the federal level has a new process
- o. Liability
 - i. Insurance
 - 1. Place based work is being hit very hard on insurance
 - ii. Gaps in service can create liability issues
- p. Delays will always exist even if we fix all of these issues, what will the process be to address these?
- q. Multi-year contracts
 - i. Must be approved by City Council
 - ii. However, there are one year contracts with renewal options and can be renewed up to four times – departments are using this process now and how can that be an option

4. Request to please submit all specific recommendations in writing
5. Representatives from departments and agencies
 - a. Working closely with Administration
 - b. When it makes sense to have other relevant departments join, they will join as needed
6. New York task force process
 - a. Andy will pull together information regarding NY process
 - b. Andy will also pull together a list of top 10 cities and how they do their contracting
7. Pew is working on research on non-profit business. They have been invited and we are waiting to hear if they are able to participate without any conflict of interest.
8. Discussion of timeline for implementation of RFP requirement by July 1
 - a. Rida will give us a breakdown of all the things in her mind that need to be done so we can understand all the things non-profit orgs are worried about/doing to prepare in advance and will have this for next meeting
 - i. Matt will assist as well
 - b. When will procurement process start for next fiscal year when the budget for next fiscal year is not finished?

Next Meeting Topic:

1. Folks on task force would benefit from Procurement 101 and Administration can help lead on that to ensure that there is a full knowledge of how contracting works generally in the City if you are used to only working with one department and then also receive feedback from non-profits of how it actually works on the ground
 - a. What is city's process and what is actual experience
 - b. Helpful to have Law, Finance, Departments in addition to CAO, Procurement, OCF, and Mayor's Office to attend that meeting to do level setting
 - c. List of clusters of non-profits who work with the City
 - i. Matt, Arun, Regan, and Cynthia will work on this in advance of the next meeting
 - d. Clarifying how many departments contract with non-profits and how there are differences in the process and sources of funding
 - e. SOPs need to be available for organizations to understand the entire process because there are no clear instructions right now
 - i. A flow chart would be particularly helpful from RFP to contract conformance to payment
2. Can Administration confirm what will be happening to renewable contracts or new procurement or sole source procurement for implementation of new RFP requirement?
 - a. List of all contracts currently through the exemption, but this does not specifically answer the question here
 - b. Law Department will need to weigh in

3. Are folks okay to shift date slightly if Admin needs a different date to accommodate most folks? – Yes

Follow Ups from Task Force Members:

1. From Andy: New York task force information and list of how comparable cities contract
2. From Matt, Arun, Regan, and Cynthia: List of clusters of non-profit by type
3. From Rida and Matt: How non-profits are preparing for July 1 implementation of RFP and what they are waiting from on the Administration/City
4. From Administration: Flow chart/SOP explaining City RFP processes and list of contracts impacted by RFP change and any that have options for renewals/which will need to be bid out for next fiscal year at beginning of the year