

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/



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

Participants for Today's Meeting:

1. Tamela Vieira, PHS
2. Rev. Bonnie Camarda, Salvation Army
3. Maritza Padua, Women Against Abuse
4. Regan Kelly, NET Centers
5. Heather Keafer, JEVS Human Services
6. Linda Donovan-Magdamo, RHD
7. Soneyet Muhammad, Episcopal Community Services
8. Will Gonzalez, Ceiba
9. Donna Frisby-Greenwood, Pew Charitable Trusts
10. Katie Martin, Pew Charitable Trusts
11. Rida Haq, Philadelphia VIP
12. Andy Toy, PACDC
13. AnnMarie McDowell, CORA Services, Inc.
14. Ayana Bradshaw, Health Promotion Council/PHMC
15. Shannon Healy, Lutheran Settlement House
16. Regina Griffin-Kelly, JFK Behavioral Health Center
17. Arun Prabhakaran, Urban Affairs Committee
18. The Honorable Rue Landau, Councilmember at-Large
19. Molly Hartman, Office of Councilmember Rue Landau
20. Michael Cooke, Office of Council President Kenyatta Johnson
21. El Shafiq Asad Ali, Office of Councilmember Jeffery Young, Jr.
22. Kimberly Ali, Department of Human Services
23. Frank Franklin, Philadelphia Department of Public Health
24. LaShawnda Tompkins, Procurement Department
25. Crystal Yates-Gale, Managing Director's Office
26. Camille Duchaussee, Chief Administrative Office
27. Tara Mohr, Managing Director's Office
28. Beth McConnell, Office of Community Empowerment and Opportunity
29. Jacqueline Eklund, Law Department
30. Amanda Steward House, Law Department
31. Stephen St. Vincent, Managing Director's Office

32. Kate McGlinchey, Finance Department
33. T. David Williams, Procurement Department
34. Rachel Meadows, Mayor's Office

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. Additional meeting date in early October TBD
 - b. Thursday, October 17 at 2 PM– Location: Innovation Lab MSB
 - c. Thursday, November 14 at 2 PM– Location: City Hall Caucus Room
 - d. Wednesday, December 4 at 2 PM– Location: Innovation Lab MSB
3. Topics for Task Force Review
 - a. Presentations from Administration
 - i. Procurement
 1. Things that mess up the timeline:
 - a. If you submit under the wrong name or EIN, it can delay the process by days or weeks.
 - b. Do not try to rush the application or do it at the last minute. If you miss the deadline, you are not eligible. If you give yourself enough time, you can reach out to tech assistance.
 - c. Departments have different requirements, so make sure you know and understand all of those before beginning – some departments require pre-proposal meetings that are mandatory.
 2. Without a conformed contract, you cannot get paid
 3. Provider responses to Procurement:
 - a. When the bid closes, is there a list of providers that applied and is that publicly available?

- i. Yes, when notice of intent to award posts, the list is made public on econtract Philly and it also includes chosen applicant and why they were chosen
- b. Conformance process average?
 - i. 80 to 85 days to allow for internal and external communication and all reviews
 - 1. This is not the experience of providers
- c. Detailed workflow and performance data is missing. It would be helpful to know how long each step in the process takes and it would better help the City know where snags in the process are. Does this data exist?
 - i. There is data that the City has on how long the process takes that goes from notice to conformance.
 - 1. Defer to Law Dept on what can be shared
 - ii. Procurement is not a procure to pay system – we are a procure to perform system and then for payment Finance and departments step in.
- d. One provider shared they have gone through the process through to the interview stage and then never heard back after interview and no notice online. What is process if an RFP is put out and then the department decides not to move forward?
 - i. Very strict guidelines on posting before, during, and after process
 - ii. In RFP template, there is a timeline, but that is an estimate and that includes an estimated date of award.
 - iii. If you do not hear, it means the department has decided to not move forward or not move forward with you. If there is no notice on econtract, it means the department has not made a determination for the award. If they have decided to cancel the opportunity, you can check to see if a contract is listed as canceled.
 - 1. Departments will make awards even after a year or a year and a half. It is not common, but it does happen. Sometimes, it can be more like 8 or 9 months after the closing of the application period. If you have not heard and there is no cancellation, it typically means the department is still in process and you can reach out to procurement and they can try to determine if the bid is still active.
- e. Contract delays – it can take multiple months to get an executed contract, and you cannot invoice until you have a

conformed contract, but folks are expected to continue providing services.

- i. Without a conformed contract or a notice to proceed, there should not be services being offered.
 1. What are providers supposed to do? If they do not have contracts, are they supposed to close shelters or halt services? No, they continue working and then need to tap into lines of credit that the City does not cover costs for.
 - a. Cashflow is where the crisis comes in and it is becoming harder and harder because everything is razor thin now and the crisis feels more elevated.
- ii. Two different issues:
 1. If it is a new contract, providers do not run the risk.
 2. It is when we are re-contracting and continuing to provide service on regular contracts.
- f. Workflow that seems to create issues is conformance and that is where the mystery behind the curtain is.
 - i. This will continue to be a discussion
- g. In procurement process, the challenge is not in a new contract. Where there is an issue, is when they are up for a rebid for a former contract that they have already operated and run. One provider personally agreed that for procurement process the steps are 80 to 85 days, but the given window is usually 30 days. If providers aren't notified by July 1, they have to decide if they are going to lay off employees and then cannot restart work once award is finalized or have to keep folks on staff at the providers expense.
 - i. Specific example: supposed to be notified by June 30, didn't hear until August, so had to pay people at provider expense for 30 days to ensure quality of service.
 - ii. This is when a contract term has ended and the rebid is necessary. Do not disagree a rebid process should happen, but it needs to be happening within the timeline, so providers do not lose money.
 - iii. It would be helpful to hear if there are delays for any specific reason
 - iv. Specific example: One provider waited 12 months for a conformed contract and continued to provide

services because they were told they were expected to provide service

1. Communication and transparency are really lacking. Understanding the timeline for each step is difficult and it is also unclear why there are all these issues.
- h. When do RFPs go out?
 1. Procurement tells departments to put out their bids at least 6 months in advance of when the contract needs to begin, but the timeline will be impacted by what else the department has going on.
4. Providing service without a contract was the main discussion point:
 - a. Who is saying providers need to continue to provide service without a contract?
 - i. We need to discuss this openly with no fear of retaliation for speaking up and no concerns about losing opportunities or being punished for this uncomfortable conversation
 - ii. CAO – we need to know the pain points and we need to know the issues so we can make the process better. I can assure you everything shared here will be used to make the process better.
 - iii. It is not someone saying specifically, you must provide this service on a continuing basis without a contract, but what happens when the provider says no we cannot house you or protect you or help you relocate because we do not have a contract from the city? The services have to be provided whether someone is saying there is an expectation or not.
 1. Example: domestic violence services – these are essential services and we cannot stop these services.
 - b. Providers are tapping into lines of credit and personal savings to keep these services online and providers receive the vast majority of their funding from city or state contracts.
 - i. If there is a gap of payment, is there a way to amend the contract so providers can be paid for the work they are doing or the costs they incur?
 1. Other cities are paying administrative costs for providers who have to incur costs related to lines of credit and accounting if we cannot fix the problem
5. How do RFP processes get timed against the City budget?
 - a. Philadelphia Eviction Protection Program example
 - i. Councilmember Gym got money for PEPP and she expects service to begin 7/1
 - ii. Are providers supposed to go back to councilmembers and say we cannot provide this service because we have no contract
 - iii. Understand legally they cannot say provide service without a contract, but it is not reality
6. Departments function very differently
 - a. One provider has 25 contracts from 8 departments and 4 have been conformed
 - i. Spoken with Law, the Controller, and all departments

- ii. DHS contracts are already conformed as an example
 - iii. We are operating largely from a set of perceptions and not facts
 - 1. 85 days may be stated process, but have 4 contracts conformed out of 25 after 88 days
 - 2. Others have real time data on their experiences as well
 - b. Stated that there is on average one month for open period for applications, 8 to 9 months for review, and then 3 months for conformance and that is if everything runs on schedule, which it does not usually do and that is not assigning blame, it is just realistic. Need a true fact-finding spirit around what is actually happening.
 - i. Organizations have less than 90 days cash on hand and strapped on lines of credit, especially for Black and brown organizations.
 - ii. We know something is not working and we need the real data and the real facts in order to problem solve this major issue of providing service.
7. Does the 80 to 85 day timeline apply to renewals?
- a. Average time based on the numbers the city has is 80 to 85 days. This has come down from 144 days. This is across all contracts. There is an expedited contract process for contracts when scope and money doesn't change
 - b. Standard policy is 1 year plus up to four one year renewals. Renewal process includes the process of expedited amendment process. The average timeline for all contracts is 90 days.
 - c. Specific example:
 - i. One provider has an OHS contract with notice to proceed from 7/1 and there is not an option to put folks out on the street and they have a benefit of providing a line of credit, which lots of orgs do not have.
 - 1. With the notice to proceed, there are some assurances that there will be payment, but when?
8. Delay of payment is a second issue that needs to be discussed.
- a. There are processes where departments and finance can get together and say this provider is doing what they are supposed to be doing and the conformance is not done and there are things that can be done to try to get some payment to a provider.
 - i. Finance will need to follow up
9. Concerned that folks are being told they should stop providing service and the process is what it is
- a. These are not acceptable answers because we need this process to function
 - b. Why is it so difficult to work on a contract renewal?
 - i. Same organization, same people, same terms, what is the problem?
 - c. Non-profit sector is in crisis from small to large organizations and there needs to be a solution
10. Work should not begin until there is conformance or a notice to proceed.
- a. When is the notice to proceed negotiated?
 - i. A notice to proceed is issued to the awarded vendor as a matter of policy and practice. These are typically a one-page document with general provisions. They take different times, but it typically depends on the department.

- ii. So the question of whether to proceed before conformance is not an issue of vendors competing against each other about who is willing to do the work before conformance?
 - 1. Not a yes or no answer
 - 2. Departments and Law will see when you apply if you are taking exceptions to the general provisions and at that point the department is reviewing who they want to select and that may weigh against you if you are not willing to follow the general provisions.
 - 3. Departments can consider whether a provider is requesting changes to the general provisions when selecting a provider and those should be submitted in the proposal, but it is something that can be weighed as a factor.
 - 4. Is there a dollar limit attached to the notice to proceed?
 - a. Yes, it says in no event after a conformed contract should you be paid more than what is listed on the notice to proceed and it is currently \$41,000 based on charter calculations
- iii. Does the city track in a fiscal year for how many of the contracts have a notice to proceed issued v work only beginning when a contract is conformed?
 - 1. Department determination
 - 2. Conformance and notice to proceeds are captured in the system
- iv. Are departments tracking why notices to proceed are issued?
 - 1. The notice to proceed is supposed to be the exception, right? So are we reviewing to find out why we are using this process instead of just going through the conformance process?
- 11. We are not currently taking the opportunity to audit or review the process as is and this has been identified as an issue to be addressed and this is in process to hire a compliance manager within CAO to assess just these things.
- 12. Administration would like to continue working through the entire process. Understand these pain points are really difficult, and we cannot just say back the policy and say we expect folks to halt services. Ask that we will allow procurement to get through the entire process, so that we can get to the other pain points. The specific point around payment and production has been heard and we want to move onto the other pain points so we can have a full understanding of all the issues.

Next Meeting Topic:

- 1. We need to find another meeting date within the next few weeks to try to continue this conversation to hear the pain points and go through the entire process.
- 2. Other things are going on in the background including implementation of new legislation and also the context of organizations providing service and not being paid right now and so that is impacting the time in the room as this is the prescient issue.
- 3. Additional meeting will keep the same topic as the September meeting:
 - a. 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

- i. What is city's process and what is actual experience
 - ii. Helpful to have Law, Finance, Departments in addition to CAO, Procurement, OCF, and Mayor's Office to attend that meeting to do level setting
 - iii. Clarifying how many departments contract with non-profits and how there are differences in the process and sources of funding
 - iv. SOPs need to be available for organizations to understand the entire process because there are no clear instructions right now
 1. A flow chart would be particularly helpful from RFP to contract conformance to payment
4. For folks that have immediate questions about their ongoing contracts, please call Acting Procurement Commissioner LaShawnda Tompkins at 215-686-4670 or email her at Lashawnda.Tompkins@phila.gov
- a. Please include contract number, department, any department contacts, specific issues, etc., which will help expedite the solution to your problem.
 - b. You can also contact Chief Administrative Office Camille Duchaussee at Camille.Duchaussee@Phila.gov

Follow Ups from Task Force Members:

- From Andy: New York task force information and list of how comparable cities contract