



**CITY OF PHILADELPHIA  
PHILADELPHIA PRISON SYSTEM  
OFFICE OF THE COMMISSIONER**



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STEPHEN A. MADVA, Esq.  
Board Chairman

LOUIS GIORLA  
Commissioner  
May 2, 2014

The Honorable Darrell Clarke  
City Council President  
City Hall, Room 490  
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the April 9<sup>th</sup>, 2014 hearing before the Committee of the Whole on the Fiscal Year 2015 budget for the Philadelphia Prisons System. The questions were recorded as follows:

**From Council President Clarke:**

- 1. Can you forward to the Chair the re-incarceration rate for those prisoners in the furniture building program?**

Please see the table below. The program name is Industries Carpentry and is part of the PHILACOR Industries program. The yearly totals are independent so the three year percentage would be an aggregate total. For 2010 the three year rate is 60%. For 2011 the three year rate is 43%. Years 2012 and 2013 have not reached the three year mark for releases. The Prisons does not extrapolate the reincarceration rate for inmates not involved in programs; however the general reincarceration rate for all inmates is approximately 60%.

Calendar Year	Total Released	Recidivated First Year	First Year Recidivism Rate	Recidivated 2nd Year	Second Year Recidivism Rate	Recidivated Third Year	Third Year Recidivism Rate
2010	50	18	36.00%	9	18.00%	3	6.00%
2011	42	11	26.19%	5	11.90%	2	4.76%
2012	48	25	52.08%	4	8.33%		
2013	52	14	26.92%				

**From Councilwoman Brown:**

- 2. What does the board composition look like for Corizon and MHM?**

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MHM (Behavioral Health Services Provider): There are 7 male board members for MHM, none is a minority. Corizon (Physical Health Services Provider): Corizon Health has 2 directors, both male. One is African American.

**From Councilman Jones:**

**3. Can you re-submit the contract information for the Prisons department?**

Please see the response to Question 4.

**From Councilman Oh:**

**4. Can you explain the M/W/DSBE participation rate for the Corizon contract?**

Attachment 1 contains the updated contracts information for the Prisons. The M/W/DSBE participation ranges were reviewed again by the Office of Economic Opportunity for compliance with the Administration goals. The Prisons goal for overall participation is 25% and thus far for Fiscal 14 the rate of participation has reached 28%.

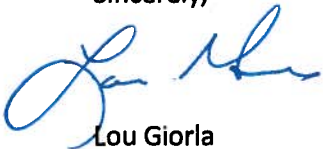
Councilman Oh's question regarding the Corizon contract was mostly likely sparked by the increase in participation for CORIZON (physical health services for inmates) from FY12 /13 to Fiscal 14. The overall figure of 71% was determined as follows:

Irregularities in the M/W/DSBE practices by the same vendor under the name Prison Health Services were found by the Inspector General's Office in 2010. As a result the firm was penalized financially and required to submit to a monthly review of its participation opportunities, as well as a vendor and subcontractor review. The review meeting is chaired by the Office of Economic Opportunity and includes the Prisons Contracts and Medical Services Units. The contract was awarded to the same firm in 2013 and required the same scrutiny.

As part of the goal setting process in 2013 the Office of Economic Opportunity approved the deduction of salaries and fringe benefits prior to calculation of the contract value and the analysis of M/W/DSBE participation. The calculation reduced the contract value to the discretionary funds spent by the vendor. Thus the overall value was revised from approximately 34 Million to 18 Million dollars. Of that total the minority participation is 71%.

Please feel free to contact me with any questions you may have about the information provided in this response.

Sincerely,



Lou Giorla  
Commissioner

cc: Everett Gillson, Chief of Staff  
Rob Dubow, Director of Finance  
Rebecca Rhynhart, Budget Director  
Fiona Greig, Deputy Budget Director

**PHILADELPHIA PRISONS SYSTEM**

**CONTRACTING EXPERIENCE**

**M/W/DBE Participation on Large Contracts**

**FY14 Contracts**

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Corizon Health, Inc.	Physical Health Care Services	\$42,834,447	06/07/12	03/01/13	MBE: 20-25%	13%	\$5,568,478		yes
					WBE: 5-10%	58%	\$24,843,979	71%	yes
					DSBE:Best Efforts	0%	\$0	\$30,412,457	yes
Aramark Food Services	Inmate Food Services	\$14,178,172	04/09/13	07/01/13	MBE: 20-25%	18%	\$2,552,071		yes
					WBE: 5-10%	7%	\$921,581	25%	yes
					DSBE:Best Efforts	0%	\$0	\$3,473,652	yes
US Facilities, Inc.	Facilities Management	\$10,523,140	02/06/10	04/01/13	MBE: 10-20%	100%	\$10,523,140		yes
					WBE: 5-10%	0%	\$0	100%	yes
					DSBE:Best Efforts	0%	\$0	\$10,523,140	yes
MHM Correctional Services	Mental Health Care Services	\$9,075,951	06/07/12	03/01/13	MBE: 20-25%	2%	\$181,519		yes
					WBE: 5-10%	0%	\$0	2%	yes
					DSBE:Best Efforts	0%	\$0	\$181,519	yes

**M/W/DBE Participation on Large Contracts**

***FY13 Contracts***

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBes	Living Wage Compliant?
Corizon Health, Inc.	Physical Health Care Services	\$42,752,693	6/19/08	9/1/09	MBE:	6%	\$2,565,162		yes
					WBE:	22%	\$9,405,592	28%	yes
					DSBE:	0%	\$0	\$11,970,754	yes
Aramark Food Services	Inmate Food Services	\$14,100,000	2/19/09	5/1/09	MBE:	4%	\$564,000		yes
					WBE:	21%	\$2,961,000	25%	yes
					DSBE:	0%	\$0	\$3,525,000	yes
US Facilities, Inc.	Facilities Management	\$10,523,140	2/6/10	4/1/10	MBE:	100%	\$10,523,140		yes
					WBE:	0%	\$0	100%	yes
					DSBE:	0%	\$0	\$10,523,140	yes
MHM Correctional Services	Mental Health Care Services	\$9,075,951	6/19/08	9/1/09	MBE:	1%	\$90,760		yes
					WBE:	0%	\$0	1%	yes
					DSBE:	0%	\$0	\$90,760	yes

**M/W/DBE Participation on Large Contracts**

***FY12 Contracts***

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBes	Living Wage Compliant?
Corizon Health, Inc.	Physical Health Care Services	\$40,965,696	6/19/08	11/1/08	MBE:	6%	\$2,457,942		yes
					WBE:	9%	\$3,686,913	15%	yes
					DSBE:	0%	\$0	\$6,144,854	yes
Aramark Food Services	Inmate Food Services	\$12,730,779	2/19/09	5/1/09	MBE:	20%	\$2,546,156		yes
					WBE:	10%	\$1,273,078	30%	yes
					DSBE:	0%	\$0	\$3,819,234	yes
US Facilities, Inc.	Facilities Management	\$10,272,943	2/6/10	4/1/10	MBE:	100%	\$10,272,943		yes
					WBE:	0%	\$0	100%	yes
					DSBE:	0%	\$0	\$10,272,943	yes
MHM Correctional Services	Mental Health Care Services	\$8,345,768	6/19/08	4/1/09	MBE:	1%	\$83,458		yes
					WBE:	0%	\$0	1%	yes
					DSBE:	0%	\$0	\$83,458	yes