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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE OF THE WHOLE

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6

Room 401, City Hall
Philadelphia, Pennsylvania
Tuesday, June 15, 1999
3:15 p.m.

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9 RESOLUTION 990221 - An Ordinance amending Title 17
10 of the Philadelphia Code entitled "Contracts and
11 Procurement," by amending Section 17-107, entitled
12 "Contractors: Labor-Management Relationships," by
13 revising the prevailing wage ordinance by extending
14 the prevailing wage requirements to include all
15 building and construction work contracts with City
16 Agencies and City-related Agencies, and by extending
17 the prevailing wage requirements to building or
18 construction work contracts on which City, City
19 Agency and City-related Agency funds are allocated
20 or spent, all under certain terms and conditions.

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16 PRESENT:

17 COUNCIL PRESIDENT ANNA C. VERNA, Chairwoman
18 COUNCILMAN DARRELL CLARKE
19 COUNCILMAN DAVID COHEN
20 COUNCIL FRANK DI CICCIO
21 COUNCILMAN JAMES F. KENNEY
22 COUNCILMAN RICHARD T. MARIANO
23 COUNCILWOMAN DONNA REED MILLER
24 COUNCILMAN MICHAEL A. NUTTER
25 COUNCILMAN BRIAN J. O'NEILL
COUNCILWOMAN MARIAN B. TASCO

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SAM STATON, JR.	17

1 BILL NO. 990221

2 COUNCIL PRESIDENT VERNA: Good

3 afternoon. This a continued public hearing of the
4 Committee of the Whole on Bill No. 990221. It was
5 continued from Tuesday, June 8, 1999, until today.

6 The Chair at this time recognizes
7 Councilman Kenney.

8 COUNCILMAN KENNEY: Thank you, Madam
9 Chair. In an effort to have a cogent discussion on
10 the bill before us today, there were amendments that
11 were offered yesterday circulated to Members of
12 council making specific changes in this piece of
13 legislation. Today as a result of conversations
14 with the parties involved, there have been
15 additional changes. So in an effort to present
16 clarity, the new amendments have been circulated to
17 each Member of Council.

18 The two basic changes that the
19 amendments represent is the first is a change in the
20 \$2,000 threshold and an elevation of that threshold
21 to \$15,000. After discussions with the Office of
22 Housing Community Development, it is believed that
23 that \$15,000 threshold will protect and preserve the
24 men program and the home improvement program and
25 also protect numbers of small contractors who do

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2 this type of work from the community on behalf of
3 the Office of Housing Community Development. That's
4 the first change.

5 The second change is the elimination of
6 language which appears on Section 2, page 3 in the
7 original circulated amendment on (10), Line 8 after
8 the semicolon the words "and for mill work, cabinet
9 work and other carpentry products that are
10 pre-fabbed off site for installation on project
11 site;" will be deleted.

12 THE CHAIRMAN: Would you repeat that,
13 please, so that everybody is fully aware.

14 COUNCILMAN KENNEY: On the originally
15 circulated amendments, the second amendment is on
16 page 3 (10), the eighth line after the semicolon,
17 "and for mill work, cabinet work and other carpentry
18 products pre-fabbed off site for installation on
19 project site;" shall be removed.

20 The only additional change, Madam
21 President, is that as was suggested by the Law
22 Department at our previous hearing, we are inserting
23 a section which Members can read at their desk which
24 requires contract language as opposed to the
25 mandating of these agencies to provide -- as opposed

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2 to us mandating these agencies to do certain things,
3 the Law Department suggested that contract language
4 similar to what did on South Africa be used as the
5 vehicle to accomplish our goal. We have
6 incorporated that into the amendments and also are
7 offering them today.

8 It is my understanding, Madam President,
9 that Council Member Darrell Clarke has an additional
10 amendment to this particular piece of legislation
11 which I have reviewed and the parties involved have
12 reviewed. I consider it a friendly amendment. I
13 also consider it to be an amendment that effectively
14 approves the bill, strengthens the bill, and
15 provides opportunities for all Philadelphians of all
16 ethnic background and color to participate in the
17 renaissance of Philadelphia, and I commend him on
18 his efforts. And if you feel it appropriate to
19 recognize him at this point to make that offering.

20 THE CHAIRMAN: Thank you. The Chair
21 recognizes Councilman Clarke.

22 COUNCILMAN CLARKE: Thank you, Madam
23 Chair.

24 THE CHAIRMAN: Excuse me, Councilman.
25 Does everybody have copies of amendments?

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2 The Chair recognizes Councilman Clarke.

3 COUNCILMAN CLARKE: Thank you, Madam
4 President. As indicated earlier by Councilman
5 Kenney, I had asked to do this amendment, and from
6 discussion with all pertinent parties, I think we
7 came up with an amendment that is acceptable as it
8 relates to the neighborhood participation. I would
9 like at this point to read the amendment. Add a
10 section, Section 2, at the end of the bill to read
11 as follows: "SECTION 2. This bill shall become
12 effective when the Minority Business Enterprise
13 Council shall have certified to the Mayor and the
14 Council that all unions involved in performing City
15 work, as defined in Section 17-107(1)(b) of the
16 Philadelphia Code.

17 "(a) have recruited to their
18 apprenticeship programs the maximum feasible number
19 of residents of Philadelphia census tracts in which
20 the median income is no greater than 30 percent of
21 the median income of the Philadelphia Standard
22 Metropolitan Statistical Area; and.

23 "(b) have in place a contractually
24 binding program, to continually recruit to their
25 apprenticeship programs, on an annual basis, the

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2 maximum feasible number of residents of Philadelphia
3 census tracts in which the median income is no
4 greater than 30 percent of the median income for the
5 Philadelphia Standard Metropolitan Statistical
6 Area;.

7 "(c) have in place a contractually
8 binding program assuring that persons recruited as
9 apprentices pursuant to paragraphs 2(a) and (b)
10 above will be assigned, in reasonable proportion to
11 their overall numbers, to the full range of jobs
12 available to such unions on a continuing and
13 long-term basis.

14 "SECTION 3. Programs adopted pursuant
15 to Sections 2(b) and 2(c) above may include programs
16 like Philadelphia Housing Authority's Working
17 Together for Jobs Agreement, the TOP/WIN program, or
18 the Congreso de Latinos Unidos Apprenticeship Prep
19 for Trades APTitude Program, or other similar
20 programs."

21 Thank you Madam Chair.

22 COUNCIL PRESIDENT VERNA: Thank you very
23 much. It is my understanding we have a couple
24 witnesses that would like to testify. John
25 Dougherty.

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2 (Applause.)

3 COUNCIL PRESIDENT VERNA: Is Mr. Sabir
4 here? Would you please join us at the witness
5 table, please.

6 Kindly identify yourself for record and
7 proceed with your testimony.

8 MR. DOUGHERTY: Yes, John J. Dougherty,
9 business manager, International Brotherhood of
10 Electrical Workers Local Union 98.

11 COUNCIL PRESIDENT VERNA: Please proceed
12 with your testimony.

13 MR. DOUGHERTY: Over the last few
14 months, there's been a lot of discussion and there's
15 been a lot of off-the-record discussion in reference
16 with the Council Persons and myself in reference to
17 prevailing wage. And one of the facts we wanted
18 to -- the prevailing wage was put in place not as a
19 union or a non-union rule, it was put in place to
20 keep local contractors and local people employed at
21 the wage standard that is needed to live in that
22 specific area.

23 Now, on my person today I have a couple
24 pieces that I'd like to hand out, if possible.

25 COUNCIL PRESIDENT VERNA: Certainly.

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2 Mr. Dougherty, would you please proceed with your
3 testimony.

4 MR. DOUGHERTY: Thank you, Madam.

5 There's two pieces here. The one piece that was
6 distributed out was "Prevailing Wage: A Good Deal
7 For Pennsylvania Taxpayers."

8 In the last couple of years there was a
9 severe attack on the prevailing wage at the state
10 level. This seem to be the piece that most people
11 referred back to, and that's just for information
12 sake.

13 The other piece in which we handed out
14 which is a position paper, if you would turn to Page
15 6, in the summary on page 6 of the position paper, I
16 can't simplify or agree with any more any other
17 document. It states, "Why would you need prevailing
18 wage?" And it says in summary, "In conclusion, the
19 prevailing wage must remain in effect for several
20 reasons: Stabilize local economies, ensure living
21 wages for construction workers and their families,
22 maintain level playing field for contractors,
23 maintain tax base of communities, ensure efficient
24 high quality of public projects, ensure competition
25 based upon reputation, quality of work, not just how

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2 much a contractor can slash wages, encourage
3 employers to provide health and welfare and pension
4 benefits to workers.

5 Also over the last few weeks prior to
6 the session, there was a lot of discussion about the
7 building trades as a whole and their participation
8 in the communities. Now, we're not here to discuss
9 our charitable contributions or all the other side
10 organizations that we do belong and the amount of
11 money that we donate to this area, but more or less
12 we're talking about the neighborhood involvement in
13 our local unions. Now, we have made tremendous
14 strides. We have reached out. It's a difficult
15 process. The one fact that a lot of people, I
16 think, don't take into fact is up until the last
17 year and a half or so, we were severely unemployed.
18 I can talk in particular Local 98. As most recently
19 as the end of 1993-94, we had 65 percent
20 unemployment. Now 65 percent unemployment doesn't
21 allow for a whole lot of apprenticeship
22 applications. Also, a majority of them do live in
23 Philadelphia and we've had problems out of that 65
24 percent unemployed, we had better than half of them
25 with no unemployment benefits. So it wasn't like we

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2 were sitting back courting jobs. We were hanging in
3 to survive. Even through this process of
4 unemployment, we knew that we had to be more
5 involved in the community. We have relationships,
6 and some of the relationships, as in the amendment,
7 are a few programs, TOP/WIN, Congreso, most recently
8 a diverse apprenticeship program that's going, the
9 Philadelphia Building trades just entered into the
10 last few most or so a relationship with the
11 Philadelphia Housing Authority in which the tenants
12 of the Philadelphia Housing Authority will have the
13 opportunity to be part of the Philadelphia building
14 trades. So you at Local 98, we have already
15 guaranteed through contract for a little over 60
16 tenants to be local be part of Local 98's program.

17 Now, they are high numbers in reference
18 to all the other programs we're involved in. Again,
19 speaking only for Local 98, I was at a Council
20 Session a few months ago in which one of the Council
21 Members got up and said, well, how come we always
22 pushing people to the basic trades which is what we
23 like to be referred to which is the building trades
24 are made up of the basic trades and the mechanical
25 trades.

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2 Now, the good part about the building
3 trade that we're proud of every single union and the
4 role they play. We can't build a building without
5 each other. And we take offense to any Council
6 Person who would say that by being a member of a
7 basic trade is not the same as being members of a
8 mechanical trade. And the prevailing wages for all
9 these unions have a significant amount of benefits
10 attached to them. But for the edification of some,
11 there are some skilled opportunities opening up.
12 Local 98 just recently amalgamated with a local
13 union that was centered in Norristown and brought 56
14 contractors back to the City of Philadelphia, which
15 will for all due purposes increase more
16 opportunities. Because of bringing 56 contractors
17 back to Philadelphia, we had to get a much larger
18 building. We just purchased as of three weeks at a
19 significant sum in which the members pay, no tifts,
20 no grants, no other public monies, a building at
21 17th and Spring Garden inside the City of
22 Philadelphia.

23 Now, to continue out that process, we
24 also wanted to be inclusive of neighborhood kids
25 into the higher skill program. There's a program up

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2 at University City, the Penn Skills Development
3 Center, which I have a letter in front of me and if
4 you don't mind I'd like to read in the record. It
5 says, "Dear Mr. Story, this is a letter of support
6 for the Skills Development Center's Private Industry
7 Council funded out of School Youth Training Program
8 based at University City High School. That is
9 giving math education, career counseling, a general
10 backgrounds in the standards of telecommunication
11 wiring, such as DISI," which Local 98 pays an
12 significant amount of dollars to be a member of.
13 And a lot of people that were doing a lot of work
14 prior to us bringing this to fruition here in the
15 City were not certified to do have. "Preparing them
16 for certification in Category 5 copper and fiber
17 terminations. It is our hope, like yours, that many
18 of the students will become interested in a variety
19 of career opportunities in the telecommunication and
20 computer networking fields and become motivated to
21 continue their education in order to pursue these
22 interests. Additionally, this program could help
23 increase the quantity and quality of applicants to
24 Local 98 apprenticeship programs. We recognize that
25 one component in engaging students to pursue

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2 educational and career pathways and hands-on
3 experience. Accordingly, we support the efforts of
4 several local vendors, including Delaney Telecom,
5 Tri-State Reliables, and others, to work with
6 students at stipend interns. This will help the
7 student connect the importance of their classroom
8 learning to future apprenticeship opportunities and
9 career opportunities."

10 There is a series of relationships that
11 we have developed over a period of time. It is not
12 an easy program. We are just getting back to a
13 point where every time we take a step out front,
14 there's a significant amount of dollars. I think
15 that the Philadelphia building trades Local 98 and
16 my peers to my left and right will tell you that we
17 are committed to Philadelphia. We probably don't
18 get enough credit for our active roles in the
19 communities, charities. I had the opportunity to go
20 to up to West Moreland Street to see the
21 disadvantaged -- it's actually the Retardation
22 Center, but it's disadvantaged children. The
23 building trades were able to raise \$75,000 recently,
24 this Saturday evening. We went up there. It's a
25 program which gives dysfunctional kids the

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2 opportunity to go to work. One of the products that
3 they do, they install lights in the packaging with
4 Local 98's blessing. And the only recommendation we
5 had there is that they don't stop calling us.

6 It's a situation where to continue to be
7 a good citizen, we feel that the prevailing wage not
8 only goes to everything that I read earlier, but
9 also has a tremendous amount of spin. It allows
10 people to maintain their life-style in the City.
11 And I'm open to any questions. Thank you.

12 COUNCIL PRESIDENT VERNA: Thank you very
13 much, Mr. Dougherty.

14 Mr. Sabir.

15 MR. SABIR: Good evening, Madam Chair.
16 My name is Nathaniel Sabir. I'm president of
17 Laborers Local 332 International of North America.
18 I'm here today to testify for my business manager
19 Mr. Sammy Staton, Sr. who is in Ohio on union
20 business. Laborers Local 332 is here today to lend
21 our support to this bill and ask the Council to pass
22 into law. This bill would make it very plain to
23 those who have constantly found their ways to break
24 the law that they are doing wrong. It must be clear
25 to those who have devised contracts and community

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2 development corporations to build in small parcels
3 to avoid paying the Davis Bacon wages that they are
4 breaking the law. Many say they have found their
5 way around the law. But let us be clear, finding
6 your way around the law is breaking the law.

7 In most cases, as working men and women,
8 we have been robbed of a decent wage. It is not
9 been reduced cost of projects, but rather dollars
10 have gone to the pocket of contractors. By amending
11 Title 17 of the Philadelphia Code to included the
12 new language offered under this proposed Bill 990221
13 there should be no excuse for anyone in the City of
14 Philadelphia to tamper with the Davis Bacon Law or
15 rob men and women of a fair decent wage.

16 When they passed the Davis Bacon law,
17 the Congress of the United States was clear about
18 its intent. It was intended to provide a decent
19 wage for Americans working on federally funded
20 projects. As we move into this welfare to work era
21 it is important that there are jobs available which
22 allow families to obtain a decent place to live, to
23 provide their children with food, clothing, and an
24 education.

25 Again, I'm here today to voice Laborer

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2 Local 332 support for this legislation and ask this
3 honorable Council to quickly pass it into law. I
4 commend the Honorable Councilmen for standing up for
5 working men and women and I thank you for granting
6 me this opportunity to appear before you today.
7 Thank you.

8 COUNCIL PRESIDENT VERNA: Thank you.
9 (Applause.)

10 COUNCIL PRESIDENT VERNA: Are the other
11 gentleman interested in testifying that are sitting
12 at the table?

13 MR. STATON: Yes, Honorable Chair. My
14 name is Sam Staton, Jr. I'm the assistant labor
15 business manager of Laborer Local 332. Just to add
16 to our statement that we presented to Council, we
17 have firsthand experience with contractors who have
18 come into your our communities and come in to our
19 City that are truly unfair to the public in general.
20 I'm speaking about communities. Most of the
21 agreements that we have made with these contractors
22 that they have community participation. And what we
23 find in a lot of areas that they don't pay the right
24 prevailing wages. They don't have benefits to the
25 community people. When they leave and gone, the

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2 person is in just as bad shape as they were when
3 they first started. So we asking City Council to
4 pass this bill. Thank you.

5 COUNCIL PRESIDENT VERNA: Thank you.
6 Councilman Nutter, your light is on. Would you like
7 to ask a question.

8 COUNCILMAN NUTTER: No, Madam Chair. It
9 was on a long time ago.

10 COUNCIL PRESIDENT VERNA: Thank you.
11 Are there any questions from Members of Committee?

12 Gentlemen, thank you very much.

13 Our next witness is Grace Gibson. Is
14 Ms. Gibson in the room? I understand Ms. Gibson had
15 to leave.

16 Do we have any witnesses that would like
17 to testify? Seeing none, this will conclude our
18 public hearing.

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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC MEETING

COMMITTEE OF THE WHOLE

- - -

Tuesday, June 15, 1999

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Public Meeting conducted by the
Committee of the Whole, held in Room 401, City Hall,
Philadelphia, Pennsylvania, on the above date, to
consider action on the following:

BILLS 980883, 980921

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PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA, Chairwoman
COUNCILMAN DARRELL CLARKE
COUNCILMAN DAVID COHEN
COUNCIL FRANK DI CICCIO
COUNCILMAN JAMES F. KENNEY
COUNCILMAN RICHARD T. MARIANO
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN BRIAN J. O'NEILL
COUNCILWOMAN MARIAN B. TASCO

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1 PUBLIC MEETING

2 COUNCIL PRESIDENT Verna: We will now go
3 into our public meeting. The Chair recognizes
4 Councilman Kenney.

5 COUNCILMAN KENNEY: Madam Chair, I move
6 that the amendments to Bill No. 990221 as read into
7 the record at the public hearing be approved second.

8 (Duly seconded.)

9 COUNCIL PRESIDENT Verna: It has been
10 moved and properly second that the amendments as
11 previously read be approved.

12 All in favor will signify by saying
13 aye.

14 Those opposed?

15 The ayes have it. The motion is
16 carried.

17 The Chair recognizes Councilman
18 Kenney.

19 COUNCILMAN KENNEY: Thank you, Madam
20 President. I move that Bill No. 990221, as amended,
21 be reported out of this committee with a favorable
22 recommendation and a request made for Rules
23 suspension to allow First Reading at our next
24 Council Session.

25 (Duly seconded.)

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2 COUNCIL PRESIDENT Verna: It has been
3 moved and properly seconded that Bill No. 990221 be
4 reported out of committee with a favorable
5 recommendation, as amended, and that the Rules of
6 Council be suspended so as to permit First Reading
7 at our next Session of Council.

8 All in favor will signify by saying aye.

9 Those opposed?

10 The ayes have it. The motion is
11 carried.

12 This conclude our public meeting. Thank
13 you very much.

14 (Applause.)

15 (Council adjourned at 3:40 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of June 15, 1999, were reported fully
and accurately by me, and that this is a correct
transcript of the same.

RE: COMMITTEE OF THE WHOLE

Lisa C. Bradley, RPR
and Notary Public