

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE OF THE WHOLE

Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, March 29, 2011
10:10 a.m.

PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN DARRELL CLARKE
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN BILL GREEN
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN CURTIS JONES, JR.
COUNCILMAN JACK KELLY
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN BRIAN J. O'NEILL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN FRANK RIZZO, JR.
COUNCILWOMAN MARIAN B. TASCO

BILLS 110135, 110136, 110137 and 110138
RESOLUTION 110161

- - -

1
2 COUNCIL PRESIDENT Verna: Good
3 morning. This is a continued public
4 hearing of the whole.

5 The Chair recognizes
6 Mr. McPherson.

7 MR. McPHERSON: Continuation
8 hearings of Resolution 110161, the City's
9 Five Year Plan; Bill No. 110135, Capital
10 Program, 2012 to 2017; Bill No. 110136,
11 the Capital Budget for 2012; Bill No.
12 110137, the Operating Budget for 2012;
13 Bill No. 110138 for the wage tax. And
14 we're taking testimony today on Bill No.
15 110137, the Operating Budget for Fiscal
16 2012.

17 COUNCIL PRESIDENT Verna: First
18 department.

19 MR. McPHERSON: The first
20 department is the Division of Technology.

21 (Witnesses approached witness
22 table.)

23 COUNCIL PRESIDENT Verna: Good
24 morning. Welcome. Kindly identify
25 yourself for the record and proceed with

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2 your testimony.

3 MR. JONES: Good morning,
4 Council President Verna and other members
5 of Council. I am Thomas T. Jones,
6 Interim Chief Technology Officer and
7 First Deputy Chief Information Officer
8 speaking on behalf of the Division of
9 Technology of the City of Philadelphia.
10 I appreciate the opportunity to testify
11 today on the FY 2012 budget for the
12 Division of Technology.

13 The Division of Technology is
14 in its ninth month of the consolidation
15 of all technology under one centralized
16 group and leadership. During this
17 period, we have brought together the
18 personnel and budgets of 29 consolidated
19 agencies and seven MOU agencies into one
20 family. The Division now oversees,
21 almost in its entirety, all the
22 technology operations of the City, which
23 includes 368 total personnel, of which
24 284 are under the General Fund, 76 are
25 under the Water Fund, four under Airport

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2 and four under Grants.

3 A total budget of \$121,606,280,
4 which includes \$63,942,751 of General
5 Fund, \$16,861,699 in the Water Fund,
6 \$6,294,985 from the Airport Fund and
7 \$34,506,845 of Grant Revenue.

8 Internally, we organize the
9 Division into four primary groups: The
10 Enterprise, or Core, which would be your
11 network, payroll, e-mail; Communications,
12 which are phone, cellular, radio;
13 Departmental, which serves direct
14 applications for the departments; and
15 finally 9-1-1 and Emergency.

16 Respectively, these groups represent
17 budgets of approximately 22 million, 21
18 million, 32 million and 47 million
19 dollars.

20 Over the last year, and in
21 close coordination with our business
22 partners throughout the City, we have
23 seen a number of achievements, including,
24 but not limited to, the rollout of the
25 Sidewalk Education and Enforcement

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2 Program, commonly known as SWEEP,
3 Handheld Application; receiving a \$6.4
4 million ARRA or stimulus grant to fund an
5 initiative to provide broadband for
6 mobile and fixed computer labs
7 established for citizen use; issuance of
8 numerous RFPs, which includes one for OEO
9 and SPEED, which is our Procurement
10 system; increasing the network speed to
11 32 police districts and replacing 800
12 Police computers; and completion of
13 three-quarters of the Division's portion
14 of the rollout of the Electronic Health
15 Records system, increasing speed to City
16 health centers and prisons by installing
17 thousands of new connections.

18 Additionally, the Division
19 strives to ensure contract participation
20 of the minority, women and disabled
21 business communities in a manner that
22 shares the wealth across all communities.
23 The Mayor has stated a minimum goal of 25
24 percent OEO participation in government
25 contracting, and the Division stated in

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2 last year's testimony that we had an
3 internal stretch goal of 35 percent. To
4 accomplish this, the executive team has
5 taken the challenge on personally, having
6 collectively met one on one with over 30
7 OEO-certified firms so that we might get
8 to know the community and the
9 capabilities and the capacity it
10 represents. Furthermore, we have
11 participated in and/or sponsored events
12 that both reach out to and help connect
13 OEO vendors with large companies. For
14 example, the team worked through the
15 Pennsylvania Minority Business Enterprise
16 Center to promote events such as the IT
17 Summit held on July 14th, 2010 and
18 Pennsylvania Minority Business Enterprise
19 Center-sponsored information sessions on
20 March 9th, May 4th and November 12th of
21 2010. And the work has paid off. For
22 example, in FY09, our awards were just
23 under 20 percent. In FY10, they were 25
24 percent. And so far in this fiscal year,
25 as of last week, we are at 29 percent.

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2 With three months left in the fiscal
3 year, we believe we will achieve our 35
4 percent target. Going forward in Fiscal
5 '12, our stated goal is 25 percent, but
6 we will again take on the personal
7 stretch goal of achieving a 35 percent
8 participation rate with OEO vendors.

9 While executing the
10 consolidation without impacting
11 day-to-day operations has proved
12 challenging, the strategy has also
13 produced efficiencies and improved our
14 effectiveness. For example, we have
15 reviewed nearly every technology contract
16 the City has, gaining a better
17 understanding of the City's needs and
18 discovering some that could potentially
19 be consolidated and/or for which we could
20 achieve a consistent rate structure.

21 We have replaced an aging
22 mainframe, moved equipment out of smaller
23 data centers and virtualized hundreds of
24 servers in an ongoing effort to reach our
25 goal of replacing the 20 current data

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2 centers with only three sometime over the
3 next five years, one of which we intend
4 to be in the cloud and more than 85 miles
5 away from Philadelphia to meet Department
6 of Homeland Security recommendations.

7 And although not yet at our
8 goal of a completely centralized support
9 dispatching center, we have reorganized
10 staff, instituted a triage and
11 prioritization process for incoming
12 requests and begun developing metrics for
13 our response time to request in support
14 of the other City agencies whose real
15 mission is to serve the City's residents
16 and businesses.

17 In addition to the above, we
18 have also been diligently investigating
19 other ways to generate efficiencies. For
20 example, we are in ongoing discussions
21 around enterprise licensing agreements
22 for our databases, document management
23 tools and office automation suite. We
24 have been investigating a number of
25 managed service offerings for things like

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2 phone service, centralized printing and
3 other specific applications. We are also
4 reviewing cloud computing services for
5 such things as secondary or tertiary data
6 center locations to better meet the
7 requirements of Department of Homeland
8 Security, as well as our own Disaster
9 Recovery and Continuity of Operation
10 plans. And we're looking at it for
11 everyday tools like word processing and
12 spreadsheets.

13 We are proud of our
14 accomplishments to date and we have
15 managed through significant challenges in
16 order to achieve them. For example,
17 underway is the conversion of our current
18 e-mail system to a newer, more modern one
19 for all agencies. Over the last few
20 months, we have piloted this new e-mail
21 system for all of the Division's 1234
22 Market Street location personnel and
23 several staff in the Managing Director's
24 and Mayor's Office. However, we're not
25 expecting to have it fully rolled out

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2 until second quarter of FY12.

3 Additionally, in the coming
4 months, the Division will work with the
5 City leadership as we complete a citywide
6 prioritization of over 300 IT projects in
7 conjunction with the Managing Director,
8 Deputy Mayors and department
9 Commissioners. This process will align
10 technical projects with the Division's
11 and departments' tactical and strategic
12 needs to better focus our IT resources
13 where they are needed most. To do this,
14 we consider over 20 factors, such as
15 whether it affects public safety, whether
16 it is revenue generating, whether
17 external funds are available, whether it
18 is a legislative or mandated initiative,
19 whether the current system is unstable,
20 whether it impacts multiple groups and
21 whether the current support staff are
22 projected to leave the City within the
23 next four years. And although the
24 prioritization is not yet done, some of
25 the projects to be considered include

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2 upgrading the network speed and security,
3 build-out of this new data center with
4 complete system monitoring and command
5 and control, a complete redesign and
6 redevelopment of a single voice phila.gov
7 website, cross departmental solutions
8 such as the Public Safety's vision of an
9 arrest-to-probation system tying the
10 Police, the District Attorney, Courts and
11 Prisons together to minimize work and
12 reduce errors, and the beginning of the
13 Enterprise Resource Planning/Integrated
14 Solution Suite effort to replace many of
15 the aging administrative systems such as
16 Finance/Accounting, Pensions, HR and
17 Payroll.

18 The benefits of the
19 consolidation are starting to take shape,
20 and the City continues to invest heavily
21 in leveraging technology to establish,
22 transform and enhance the performance of
23 the City.

24 This concludes my testimony,
25 and I will be happy to answer any

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2 questions.

3 COUNCIL PRESIDENT VERNA: Thank
4 you very much. I see just about all of
5 my colleagues have their lights on, but I
6 would like to start with a few questions.

7 The Division of Technology's
8 Operating and Capital Budgets have
9 material increases in Fiscal 2011. One
10 of the issues that these funds would
11 address was the City's Internet access.
12 It appears that Internet access continues
13 to be a problem. Can someone explain why
14 we are still having a problem with the
15 Internet, what is going to be done and
16 how are we going to correct this problem?

17 MR. JONES: Sure. This has
18 continued to be an ongoing issue, and we
19 know it's a source of great
20 dissatisfaction with a number of people,
21 but the reason the Internet speeds have
22 been what they are is because the City
23 actually only has one very low-speed
24 connection. We have ordered and have in
25 place two additional connections that are

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2 about, I think, 18 times as fast. We
3 have also -- or will have by next week --
4 placed an order for the equipment to
5 handle that. So in order for us to
6 increase it, we have to pay the
7 communications company for a faster
8 connection and we have to put about a
9 half a million dollars worth of equipment
10 in to handle all the City needs.

11 We hope to have -- we
12 identified it. We specked it out. We
13 know what we need, and hopefully we will
14 have those orders placed by next week.
15 So we anticipate sometime in the next 60
16 days, assuming every piece of equipment
17 is already on a contract, you know, all
18 of those types of variables, that you
19 will start to see an increase in your
20 speed in the Internet.

21 COUNCILMAN RIZZO: Point of
22 information.

23 COUNCIL PRESIDENT VERNA: The
24 Chair recognizes Councilman Rizzo for a
25 point of information.

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2 COUNCILMAN RIZZO: Good
3 morning.

4 MR. JONES: Good morning.

5 COUNCILMAN RIZZO: If in fact
6 we're not on the 60-day track, couldn't a
7 temporary relief to this problem be that
8 we use one of the providers, like Comcast
9 or Verizon? We have a lot of wires from
10 them coming to this building and other
11 City buildings. Why couldn't that be
12 temporary relief since they have the
13 infrastructure that could be helpful? I
14 mean, I just can't imagine how we even do
15 business here, with the quality of our
16 e-mail, our quality of our Internet
17 service.

18 So I think you really need to
19 pursue especially the hot spots, maybe
20 the Police Department, maybe other places
21 that temporarily they need to be on an
22 outside provider. I'm sure the
23 securities can be filled in to provide
24 what you need.

25 MR. JONES: Great suggestion.

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2 We've looked into that suggestion several
3 times before. We are at a point now --
4 we still have to bid those things out,
5 who gets to be the provider, because
6 there are more than one provider. At the
7 rate we are now, we are literally sitting
8 there with equipment about to be ordered
9 to solve the problem, and we feel that it
10 makes the most -- it's both the fastest
11 and the most economical for the City.

12 COUNCILMAN RIZZO: Well, I do
13 believe that Comcast already by our code
14 provides some TV service as part of
15 the -- forgive me for not knowing the
16 exact words -- the deal that we have with
17 them, that I'm sure that if we approach
18 them and told them that the belt is
19 bursting here, that we need some relief,
20 I'm sure that they would work with us,
21 especially in areas of government that
22 are in serious trouble, as we've been
23 hearing for months and years.

24 Thank you, Madam President.

25 COUNCIL PRESIDENT VERNA:

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2 You're welcome.

3 Your department is projecting
4 to receive \$21.5 million in cable
5 franchise fees for FY 2011, which is
6 being reduced to \$17.6 million in FY
7 2012. Can you explain this reduction?

8 MR. JONES: President Verna,
9 I'm going to ask my Deputy CIO for
10 Communication, who is intimately involved
11 with that, to come up.

12 COUNCIL PRESIDENT VERNA: Thank
13 you.

14 (Witness approached witness
15 table.)

16 MS. JAMES: Good morning,
17 Council President. My name is Joseph
18 James, Deputy Chief Information Officer
19 for Communications and Operations.

20 The reduction in the cable
21 revenues is, a late payment we received
22 in this fiscal year boosted that number
23 to the \$21 million, and what we've done
24 is reset the number back to what it
25 should be at \$17 million. That's what's

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2 in next year's budget.

3 COUNCIL PRESIDENT VERNA: Very
4 well. Thank you.

5 MS. JAMES: You're welcome.

6 COUNCIL PRESIDENT VERNA: Again
7 on Page 37 of your budget detail, you
8 show an increase in FY 2012 of \$1.3
9 million to Verizon for telecommunication
10 services. Can you explain what these
11 additional funds are going to be used
12 for? Page 37 of the budget detail.

13 MS. JAMES: Council President,
14 that was a shift of money from one
15 division within Division of Technology's
16 budget, from our Core budget into the
17 Communications area of the budget.

18 COUNCILMAN GREEN: Point of
19 information.

20 COUNCIL PRESIDENT VERNA: The
21 Chair recognizes Councilman Green for a
22 point of information.

23 COUNCILMAN GREEN: I'm sorry.
24 Can you be more specific about that? I
25 don't follow that response.

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2 MR. JONES: While they look up
3 that, Councilman Green, the exact line,
4 as part of the reorganizing and
5 consolidating, we have the four separate
6 groups within the Division:
7 Communication, Department, Core. And so
8 as part of the budget process, we tried
9 to make sure that the right dollars were
10 in the right group.

11 COUNCILMAN GREEN: I
12 understand, but it shows Fiscal 2010
13 obligations of ten eight nine five,
14 estimated obligations for '11 of eight
15 five nine and then Fiscal 2012 obligation
16 level going to nine eight two eight, all
17 in the same line item on Page 37, Section
18 21. So I don't understand the response,
19 because it doesn't appear to be accurate,
20 but I'll come back to this in my
21 questioning if you're looking for it --

22 MR. JONES: Yes. Let us come
23 back to it.

24 COUNCILMAN GREEN: -- so that I
25 don't hold people up.

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2 COUNCIL PRESIDENT Verna: As
3 we're looking at Section 21, Page 4, it
4 doesn't show anything as far as increase
5 or decrease as far as an internal
6 transfer. Would you like to see the
7 page?

8 MR. JONES: Madam President, as
9 you can tell, part of the consolidation
10 as we've had to try to right size some of
11 these, some of the numbers sometimes get
12 split. If you would indulge us, I'd like
13 to take the question and get you a
14 detailed answer, get back to you with a
15 detailed answer.

16 COUNCIL PRESIDENT Verna: Yes,
17 please.

18 MR. JONES: Thank you.

19 COUNCIL PRESIDENT Verna: I'd
20 like my sheet back. Thank you.

21 And you'll get back to us in
22 writing, if you will?

23 MR. JONES: Yes, we will.

24 COUNCIL PRESIDENT Verna: We're
25 going to continue on.

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2 On Page 37 of your detail,
3 under the heading of Electric Current,
4 \$387,000 in FY 2012 for PAID. Can
5 someone explain why we are paying PAID
6 for electrical services?

7 MR. JONES: You said Page 36?

8 COUNCIL PRESIDENT Verna: 37.

9 MS. JAMES: The \$360,000 that's
10 in the PAID line item on Page 37 is part
11 of the cost for when we acquired the
12 EarthLink network.

13 COUNCIL PRESIDENT Verna: I'm
14 sorry. I can't hear you.

15 MR. JAMES: When we acquired
16 the wireless network from NAC last year,
17 part of the bill that was introduced was
18 to move the leases that was associated
19 with that and the electric charges
20 through PAID, so that we're actually
21 using PAID as the entity who is actually
22 paying for the leases and the electric
23 charges.

24 COUNCIL PRESIDENT Verna: On
25 Page 38 of your detail, you're requesting

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2 \$582,549 for PAID for lease purchases.

3 Can someone give us a breakdown as to the
4 items being lease purchased, the length
5 of the lease and its terms and
6 conditions, and I'd like to know was this
7 lease approved by City Council, and, if
8 so, when?

9 MS. JAMES: It was last, I
10 believe, May of last year when we
11 introduced the bill for the acquisition
12 of the EarthLink wireless network. There
13 was two bills. One was for the actual
14 purchase, which I believe the
15 authorization was around \$2.5 million,
16 and then there was also a transfer of
17 those leases for -- they were long-term
18 leases that NAC inherited from EarthLink
19 that was transferred over to PAID. So
20 there was a number of items in those
21 ordinances, which had the list of all of
22 the locations. There was approximately
23 25 sites that were in that, and some of
24 the leases were, I believe, three to five
25 years in length. But we can provide you

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the actual detail and the Council bills.

COUNCIL PRESIDENT VERA: Would you put that in writing and forward it to me, please.

MS. JAMES: Yes.

COUNCIL PRESIDENT VERA: I would like to give my colleagues an opportunity to ask questions.

Councilman Green.

COUNCILMAN GREEN: Thank you,
Madam Chair.

Good morning. Thank you for
your testimony.

How long have you been on the job now as Acting CIO?

MR. JONES: Two months.

COUNCILMAN GREEN: Two months.
Are you enjoying it?

MR. JONES: Having a blast.

COUNCILMAN GREEN: Good. Well, there's a lot to do there, so I'm glad somebody is directing this.

Was your department asked to
prepare one and a half and three percent

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2 budget reduction scenarios?

3 MR. JONES: Yes.

4 COUNCILMAN GREEN: Thank you.

5 I'll get them from the Administration
6 when they provide them. I just wanted to
7 know.

8 So I'd like to get to some
9 questions I couldn't ask during the
10 Capital hearing, and, that is, the
11 Capital Program included 120 million
12 investment in technology over six years,
13 with 75 million front-loaded in the first
14 three years. Almost none of the 25
15 million budgeted for FY11 has been spent,
16 and I understand that part of that is due
17 to our inability to issue bonds timely,
18 and then the FY12 spending has been
19 reduced from 25 million to 10 million.

20 I really want to -- so the
21 question is, are we going to spend 35
22 million between FY11 and FY12?

23 MR. JONES: We believe we are.
24 Yes, we do.

25 COUNCILMAN GREEN: So what is

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2 the plan to spend that money and where
3 will it be spent?

4 MR. JONES: Well, as I said in
5 my testimony, we are actually going
6 through a prioritization process with the
7 Managing Directors and the Deputy Mayors.
8 We know there are certain critical things
9 that must be done. We must start to
10 build out our data centers that are
11 falling apart. We know we must upgrade
12 the network speed that we talked about
13 earlier. But we've also discovered -- no
14 one likes me to say this, but I always
15 say that I discovered that when we
16 started to do all of this work, we
17 realized that it's a little like doing
18 renovation, when you start to pull the
19 wall down in a room that you're about to
20 renovate, you find all the ugly wiring
21 underneath of it that has to be replaced
22 as well. So one of the things that we
23 did was, as we started to do the network,
24 we discovered a number of operational
25 issues that had to be fixed.

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2 So it is our belief that we're
3 going to spend roughly -- prioritization
4 is not yet done -- that we're going to
5 spend roughly 19 million of those across
6 citywide applications, whether it be the
7 Procurement system we talked about, the
8 OEO, the lobbyists, that type of thing.
9 And then we will spend the remaining
10 balance on actual hardware infrastructure
11 type projects, such as the network and
12 servers and data center build-outs, those
13 types of things.

14 COUNCILMAN GREEN: So when you
15 say we're going to spend it on
16 Procurement and other things like that,
17 it's my understanding from the
18 Administration that we're going to
19 perform workflow process studies first so
20 that we don't implement technology over
21 very poor and inefficient processes as we
22 have done in the past.

23 MR. JONES: Absolutely.

24 COUNCILMAN GREEN: Has that
25 begun in the departments that you think

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2 are going to be priorities?

3 MR. JONES: There's two parts
4 to this answer. We have recognized that
5 we have a larger project that we all
6 refer to as ERP project to put in an
7 integrated suite of applications. As
8 part of that project, we realize that
9 that was a huge project and needed a
10 dedicated both director as well as a team
11 to manage the various contractors,
12 consultants that we end up pairing with
13 and partner with. It's a complicated
14 project. We have been looking for that
15 individual for some time. We've enlisted
16 the help of the Private Sector Board and
17 we've enlisted the help of recruiting
18 firms to get that individual.

19 That part has not begun yet.
20 So the business process improvement
21 necessary for that particular larger task
22 is not, but we have been doing ongoing
23 business process improvement in a number
24 of areas, because a number of the
25 applications cannot wait for the larger

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2 system. Sometimes you have to make a
3 call to do something smaller ahead of
4 time because it's critical. And like if
5 you take the property data is a great
6 example. We've documented the process of
7 data and information and all of that.
8 It's a very ugly picture in fact, but
9 we've documented that in order to not do
10 that in the new system.

11 COUNCILMAN GREEN: What not to
12 do.

13 MR. JONES: What not to do.

14 COUNCILMAN GREEN: So what
15 you're saying is of the 19 million you
16 just mentioned, that does not include the
17 horizontal replacement of the financial
18 and ERP packages of the City?

19 MR. JONES: It does. I said
20 but we have not started in earnest that
21 project, because we're looking for the
22 leader of that project.

23 COUNCILMAN GREEN: Okay. And I
24 imagine we need that leader and a
25 permanent CIO.

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2 MR. JONES: Yes.

3 COUNCILMAN GREEN: So are we
4 realistically going to be able to spend
5 \$19 million on that project and related
6 hardware and other -- in other words,
7 break down for me how much is fixing the
8 network and hardware versus how much is
9 part of the ERP/financial package/
10 horizontal implementation.

11 MR. JONES: First part of your
12 question is, we will not spend 19 million
13 on the ERP project. The prioritization
14 is going to tell us what -- we know the
15 ERP project will be one of the ones that
16 gets started. I'm confident of that. I
17 don't know what else. For example, I'll
18 give you the cashiering system. We've
19 gotten to a point where we know it is
20 unstable and it needs to be replaced
21 ahead of anything else.

22 COUNCILMAN GREEN: The what
23 system?

24 MR. JONES: Cashiering.

25 COUNCILMAN GREEN: What's that

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2 mean?

3 MR. JONES: The system that
4 collects the revenue when you come in to
5 pay your bills and so forth, that system.
6 That is a system that two years ago we
7 didn't realize was in as bad a shape as
8 it was. That's a system that we figure
9 is going to take a couple million of the
10 \$19 million to get started.

11 COUNCILMAN GREEN: Now, for
12 example, if we're going to use Oracle,
13 for example -- I don't know who we're
14 finally choosing for the financial
15 package and ERP -- we would want to have
16 that implemented prior to putting in
17 place a new cashiering system so that we
18 know we're going to have a fully
19 integrated solution, we know we've chosen
20 the right product for what you're
21 referring to as the cashiering system
22 that easily integrates with whatever
23 final horizontal, ERP and financial
24 package implementation we have.

25 MR. JONES: Sure.

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2 COUNCILMAN GREEN: So like I
3 don't understand how we can spend that
4 first before we've decided on the
5 horizontal layers, which drive really
6 every other vertical decision in
7 departments and specific applications
8 like cashiering.

9 MR. JONES: Sure. I can
10 address that. If the City of
11 Philadelphia were 500 people, it would be
12 a no-brainer. In the ideal world, we
13 would like -- it's kind of hard trying to
14 see you, Councilman Green.

15 In the ideal world, we would
16 love to put it all in as one integrated
17 suite at the same time. The size of the
18 City and the complexity of the City, it's
19 not possible. So we have to make tough
20 choices that may not be perfect, but
21 they're smart. And what I mean by that
22 is, for example, if we were doing ERP, we
23 would not put in the GL, the AP, the HR,
24 the Pensions, the Payroll, the 3-1-1, all
25 in one shot. It's a recipe for disaster.

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2 Everybody that's tried to do it will tell
3 you, you don't do a big bang. So if we
4 were going to put in HR and payroll
5 first, we would have had to build
6 interfaces to the old GL anyway.

7 We have a situation here with a
8 couple systems, the Procurement system,
9 this cashiering system, the systems are
10 unstable. They will not last as long as
11 it will take for us to put in the whole
12 ERP suite. So we have to make a
13 management call to spend as little as we
14 can in this replacement system to get
15 benefit today and over the next year or
16 two and then have it plugged in. And it
17 will initially probably just be
18 interfaced to and five years from now
19 maybe replaced with a new one. But the
20 strategy is always the minimum you can do
21 to get a stable system that meets your
22 current needs.

23 COUNCILMAN GREEN: Right. I
24 mean, this is our only opportunity to
25 have input in how you're going to spend

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2 that money up front, so what I'd really
3 like to see is what you think has to be,
4 in writing to the Chair, what has to be
5 spent now, what your plan is for the ERP,
6 how far you are along in that financial
7 package.

8 MR. JONES: Sure.

9 COUNCILMAN GREEN: I truly
10 think even if we do a small
11 implementation at the top level, we have
12 to decide what package we're going to use
13 so that we can at least choose underlying
14 systems that we know easily integrate
15 into what our likely choice is.

16 MR. JONES: Sure.

17 COUNCILMAN GREEN: Rather than
18 having to use third-party providers like
19 Mindshare and other stuff to make
20 everything talk to each other.

21 It doesn't sound to me like
22 we're on a path to spend, to go back to
23 the beginning of the question, 35 million
24 by the end of 2012 if we still have to do
25 all the work within the departments and

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2 we still haven't chosen the horizontal
3 layers in terms of the financial package
4 and ERP.

5 MR. JONES: Right, but all of
6 this 35 million is not going to be spent
7 on ERP. ERP is a long spend. It's a
8 five-year spend. What we've laid out
9 here and what our plans show right now
10 is, we tried to budget -- one of the
11 reasons we reduced our request for
12 capital this year was because we didn't
13 think we could spend 50 million.

14 COUNCILMAN GREEN: No. I
15 appreciate that.

16 MR. JONES: That was
17 unrealistic, in our eyes.

18 In terms of spending the 35
19 million, though, we thought that was
20 realistic to spend. For example, we do
21 not have sufficient system monitoring
22 capability within the City to be able to
23 respond and know when things break fast
24 enough. That, by itself, inside of a
25 three-month period once an RFP, proposal,

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2 selection, all of that, that could inside
3 of a 90-day period be \$2 million. Some
4 of these things are fairly
5 straightforward to like if you're going
6 to put in CA or HP OpenView or any of
7 those types of tools, you bring in a team
8 who literally set it up, configure it and
9 you got a 90-day project. ERP is a much,
10 much longer one, because you have to work
11 business process and organizational
12 change and training 27,000 people. It's
13 a much longer process.

14 COUNCILMAN GREEN: Well, if you
15 could provide it to the Chair, because I
16 certainly would be -- I certainly
17 personally -- I don't speak for anybody
18 else -- want to see how you're actually
19 planning to spend that money and on what,
20 before I would vote to appropriate it.

21 MR. JONES: Sure. Understood.

22 COUNCILMAN GREEN: Okay. So
23 related to that, I think during testimony
24 by our Budget Director, we agreed that
25 investments in technology should be

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2 measured in terms of productivity
3 enhancements rather than sort of hardware
4 and software purchased. And so my
5 question is, is DOT involved in any kind
6 of estimation right now about what
7 savings or what productivity increases
8 will result from the spend that you're
9 proposing over the next couple of years
10 and over the course of the six-year
11 Capital Plan?

12 MR. JONES: So much of what we
13 are doing are critical things that we
14 have to do no matter what, that we have
15 not sit down and tried to do sort of an
16 ROI, that type of thing that you're
17 talking about. I mean, the network speed
18 that President Verna spoke of, that's a
19 critical thing that even if it was a
20 negative R, you would need to do it just
21 to be able to do business. So we have
22 not set about doing any formal ROI.

23 COUNCILMAN GREEN: There is an
24 ROI for that, though, right? Because in
25 Council offices and I'm sure in many

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2 offices across the City, people are
3 waiting for documents to download,
4 they're waiting for access. So there is
5 huge time waste because of our
6 inefficient Internet access. So there is
7 probably a positive ROI on that spend.
8 You can measure an ROI, and we should for
9 every project that we're going to spend
10 real money on.

11 MR. JONES: You asked me were
12 we engaged in any ROI, and the answer is,
13 no, we're not yet engaged in any of
14 those.

15 COUNCILMAN GREEN: Okay. Well,
16 Councilman Kenney introduced a bill the
17 other day which would require a
18 cost-benefit analysis, and I have a bill
19 that's about two years old which would
20 require a cost-benefit analysis for all
21 capital expenditure. And so I think
22 you're going to see one of those as law
23 by next budget time. So I would suggest
24 that that's how the department begins to
25 think about spend.

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2 I have many more questions, but
3 I'll yield and come back in the next
4 round.

5 Thank you.

6 COUNCIL PRESIDENT Verna: Thank
7 you very much.

8 The Chair recognizes Councilman
9 Jones.

10 COUNCILMAN JONES: Thank you,
11 Madam President.

12 And I understand that it is
13 both Bill Green and Bill Greenlee's
14 birthday, and as a birthday present, let
15 him talk as long as he wanted.

16 Happy birthday, Bill.

17 A couple of quick questions.
18 Number one, I took out the testimony from
19 two years ago before it was the
20 Department of Technology, when it was
21 MOS, and I started looking down at the
22 testimony, and then I read yours again.
23 And it is very, very similar, yet I'm
24 going to go micro and then macro on this
25 issue.

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2 Micro, my eight-year-old
3 granddaughter can get on the Internet
4 faster than I can using our system here,
5 that Fred Flintstone probably used that
6 Dell computer we have.

7 We need to be able to access
8 information in a realtime fashion so that
9 we can make good decisions for the
10 citizens of Philadelphia. It is not to
11 play games on it. It is not to check my
12 Facebook, because I have my own
13 technology to do that, but my staff have
14 to be able to research legislation from
15 around the world to look at best
16 practices. Without that, we are woefully
17 unarmed to make the decisions to be the
18 stewards that we need to be.

19 We introduced a resolution a
20 while back. I cannot remember the number
21 of it. Here it is. It is Resolution
22 090368, calling into question how we can
23 get a better system here, and we have yet
24 to achieve that goal.

25 So what I'm saying to you is,

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2 we need some help on that. We need to
3 look at whether it should be in the
4 clouds or in a mainframe or in a local
5 area network. I really don't care. I'm
6 an end user. I push the button and I
7 want the information.

8 So just from our small micro
9 involvement with technology, we are
10 frustrated. And I'm pretty sure that if
11 we introduced a resolution tomorrow to
12 get money from your budget to solve our
13 own problem, I could get nine votes. I
14 believe that. But we want to work as a
15 team with the other departments to be a
16 part of a larger question that we want
17 you to solve.

18 So having said that, we're
19 going to look forward to you solving this
20 problem. I've looked at the testimony.
21 I'm still a freshman, but I can read. I
22 remember what was said the year before,
23 the year before that, and I'm saying to
24 you that we are growing impatient with
25 it.

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2 Other legislative bodies, for
3 example, have laptops and computers right
4 at their desk. And I know these
5 budgetary times we should not -- but a
6 plug under here would help that we
7 could -- technology? Electricity. So
8 that we could plug into independently
9 acquired technology to upgrade and be
10 able to do that. These are simple things
11 and simple solutions.

12 The other bill that I would
13 bring your attention to -- and I read
14 your testimony where you looked at
15 different RFPs, where you actually did a
16 review of the technology and said that
17 this Solution A is better than Solution B
18 and, therefore, we think we should
19 restructure and do it this way.

20 Do you do that often? When a
21 department says we want to solve it
22 through these series of hardware,
23 software solutions, do you evaluate it
24 and then offer alternative strategies?

25 MR. JONES: We do. I was

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2 trying to think off the top of my head
3 some of these things I go through, but we
4 try to take every potential option for a
5 department in consideration, and it's a
6 difficult job because of where our
7 current infrastructure is and -- for
8 example, one of the departments was
9 looking at -- well, two departments was
10 looking -- actually, three was looking at
11 an IVR system, and so we said rather than
12 buy three separate systems --

13 COUNCILMAN JONES: For us
14 low-tech folk.

15 MR. JONES: I'm sorry. The
16 integrated voice recording, the voice
17 response, 3-1-1, L&I, Revenue.

18 So we were looking at what they
19 were -- evaluating what they were looking
20 at to see how we would put it together to
21 be a single solution that would be
22 cheaper and more sustainable for the
23 City, yet still meet their needs.

24 COUNCILMAN JONES: Did you
25 realize cost savings based on that

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2 analysis?

3 MR. JONES: Yeah. We feel like
4 there would be cost savings.

5 COUNCILMAN JONES: Can you
6 document, just roughly, not to the penny,
7 how much did you save the City of
8 Philadelphia by doing that type of
9 calculation and analysis?

10 MR. JONES: Councilman, I
11 don't --

12 COUNCILMAN JONES: Was it in
13 the thousands?

14 MR. JONES: Yeah.

15 COUNCILMAN JONES: Was it in
16 the tens of thousands?

17 MR. JONES: I would say it's
18 probably in the tens or maybe even
19 hundreds of thousands. These systems are
20 expensive.

21 COUNCILMAN JONES: All right.
22 And I think and applaud you for that type
23 of analysis.

24 Resolution No. 100848 is asking
25 and begging that all City departments

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2 review contracting in, contracting out
3 and whether those solutions could be done
4 by internal staff or whether or not it is
5 better to contract out with someone who
6 has -- or an entity, a firm, a company
7 that has a higher degree of knowledge and
8 expertise in an area. So you do that on
9 a regular occasion?

10 MR. JONES: Yeah, we do it on a
11 regular occasion, because sometimes --
12 there's two parts to this answer, or more
13 than two, actually. We take a look at
14 what our staff can do, and our staff --
15 we have to factor two very important
16 things in. First one is skills, and
17 second, we have to keep the day-to-day
18 running, and even though some may not
19 feel like we keep it running perfectly,
20 that's what our staff's primarily duties
21 is, to keep it running. So sometimes
22 it's a matter of we just need the
23 additional capacity for a short period of
24 time as we put it in.

25 It is our, the executive team

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2 in place today, it is our strategy to
3 always make sure when we do that, we
4 integrate our current staff in both
5 either with skill sets they currently
6 have or as part of the contract, for them
7 to be trained to attain skills. We know
8 we don't have -- the department don't
9 have --

10 COUNCILMAN JONES: Again,
11 Resolution No. 100848 calls for
12 departments like yours to do that
13 analysis, and what you have testified
14 here today is that has resulted in a
15 decision that says whether to keep it
16 in-house because it's cheaper, more
17 effective to do it or to contract it out
18 because we don't want to tool up in that
19 way long term, which is a basic analysis,
20 which has saved taxpayers' dollars. Is
21 that your testimony today?

22 MR. JONES: Yes. Yes. Yes.

23 COUNCILMAN JONES: All right.
24 I'm glad of that. And future departments
25 that are about to come up; in particular,

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2 the Procurement Department, we want more
3 of that.

4 As we look at the -- how
5 much -- and two things. I'm going to let
6 my colleague Wilson Goode ask you about
7 subcontracting opportunities and things
8 like that, because I'm sure he's going to
9 pursue that line of question. So I will
10 defer that, but by way of use of
11 technology, which is something that my
12 colleague Bill Green has long been an
13 advocate for, how much have we saved by
14 converting, using technology, converting
15 from paper to electronic transfer of
16 data? Have we documented what those
17 savings have been?

18 MR. JONES: No, Councilman
19 Jones, we have not documented those
20 savings.

21 COUNCILMAN JONES: And why
22 would we not attempt to do that?

23 MR. JONES: In order to
24 document those savings, you would have
25 needed to initially have done a baseline

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2 of what it was costing you. That, in and
3 of itself, is a project, and to date, we
4 have not done it. I'm not going to tell
5 you -- I can't answer why we wouldn't do
6 it ultimately. That's what we want.

7 We have been on a path, the
8 Division has been on a path, of trying to
9 get the technology in as fast as we can.
10 We have so many clients such as yourself
11 who tells us how desperately they need
12 it, that we just haven't taken the -- we
13 had not taken the additional step of
14 documenting the savings.

15 COUNCILMAN JONES: I think you
16 probably will have a positive story to
17 tell. Now, you're going to have certain
18 inefficiencies because breaking down all
19 of the silos that I see in your
20 testimony. I get that. But when you
21 make a major transformation, it is
22 important to this body and probably more
23 important to the Chair of Technology over
24 there that we start to create that
25 baseline so that we can say we're moving

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2 in the right direction for a number of
3 reasons. One, because the end user, the
4 citizen, is inconvenienced by the use of
5 technology, but the City of
6 Philadelphia's budget is in fact impacted
7 positively by the use of that technology
8 and, therefore, the original expenditure,
9 equipment, personnel, training, software,
10 all made sense.

11 MR. JONES: I understand.

12 COUNCILMAN JONES: So we're
13 going to -- you're the new guy and you're
14 the only one probably newer than us, but
15 we want to look at that baseline and
16 measure going forward what those
17 technological impacts are on our budget
18 and our improved service delivery.

19 MR. JONES: Right.

20 COUNCILMAN JONES: Thank you,
21 Madam President.

22 COUNCIL PRESIDENT VERNA:
23 You're welcome.

24 The Chair recognizes Councilman
25 Greenlee.

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2 COUNCILMAN GREENLEE: Thank
3 you, Madam President.

4 Good morning, gentlemen.

5 MR. JONES: Good morning.

6 COUNCILMAN GREENLEE:

7 Mr. Jones, one of my questions is going
8 to be similar to what Councilman Jones
9 had asked you. And I know you've only
10 been here a couple months, but I
11 understand that there's been a lot of
12 discussion about Council getting its own
13 server. It's apparently been promised.
14 Can you give us any kind of timeframe on
15 that?

16 MR. JONES: I'm not quite
17 sure I fully appreciate the question. We
18 have talked to -- Council has its own IT
19 staff that maintains all of your PCs and
20 internal operations, and we've talked to
21 your folks, your administrative lead,
22 about what it would take to do a number
23 of things, like to separate you
24 completely, to give additional servers.
25 We have discussed what those numbers

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2 were, and the decisions were made at the
3 time that that was not cost effective for
4 you.

5 Now, when I say I don't
6 quite -- I don't know what server you're
7 talking about. My apologies. The
8 biggest issue has been so far was the
9 network speed and the impact of having
10 everybody log in together. We literally
11 just met with a lot of your staff members
12 yesterday and walked through all of those
13 issues. We, as I said earlier in
14 testimony, we are driving very hard to
15 try to get that Internet speed problem
16 resolved, we hope, fingers crossed,
17 within the next 60 days, but there are
18 always those issues that we can't
19 control.

20 COUNCILMAN GREENLEE: I
21 understand. Okay. I appreciate that.

22 One other question. Do you
23 manage the BRT website? Is that
24 something you do?

25 MR. JONES: It just sits on our

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2 site. External folks manage it.

3 COUNCILMAN GREENLEE: Because I
4 understand there's been a particular
5 problem accessing that, and that's a
6 place where we go a lot.

7 MR. JONES: The BRT? I'll look
8 into that and get back to you,
9 Councilman.

10 COUNCILMAN GREENLEE: I
11 appreciate that. Thank you.

12 Thank you, Madam President.

13 COUNCIL PRESIDENT Verna:
14 You're welcome.

15 The Chair recognizes Councilman
16 Goode.

17 COUNCILMAN GOODE: Thank you,
18 Madam President.

19 Good morning, Mr. Jones.

20 MR. JONES: Good morning.

21 COUNCILMAN GOODE: I note from
22 the budget you have about \$40 million in
23 purchase of services and about \$4 million
24 in materials, supplies and equipment.
25 Can you first explain what the \$40

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million is for?

MR. JONES: I'm sorry,
Councilman.

COUNCILMAN GOODE: Purchase of services.

MR. JONES: Which page are you on, Councilman?

COUNCILMAN GOODE: I'm not reading from the budget book.

MR. JONES: Are you referring
to Class 200 purchasing?

COUNCILMAN GOODE: Yes.

MR. JONES: Oh, okay. In Class 200, we purchase software contracts to maintain the systems. Like, for example, the Pension system runs from a company, it's a base system company, called Software AG. Just like you get Windows updates on your PC when there are patches, we purchase maintenance contracts from companies like that, sort of as an insurance.

We also purchase a number of contracts where we are trying to rebuild

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2 the ePayment system for the City. We
3 didn't have enough capacity from some
4 technical skills and so we added to, we
5 augmented our current staff with those.
6 So we have a joint team.

7 COUNCILMAN GOODE: So you
8 intend to spend about \$42 million on
9 purchase of services?

10 MR. JONES: Yes.

11 COUNCILMAN GOODE: What's the
12 largest contract you will award in Fiscal
13 Year '12?

14 MR. JONES: Verizon is going to
15 be the largest.

16 COUNCILMAN GOODE: And that's
17 not a competitive contract?

18 MR. JONES: Yes, it's a
19 competitive contract. It's in its fourth
20 year.

21 COUNCILMAN GOODE: So there
22 would be other people who will bid other
23 than Verizon?

24 MR. JONES: Oh, absolutely.

25 COUNCILMAN GOODE: What's

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2 the --

3 MR. JONES: Well, absolutely we
4 hope.

5 COUNCILMAN GOODE: What's the
6 second largest contract?

7 MR. JONES: That's Motorola for
8 lease payments for our radios and so
9 forth.

10 COUNCILMAN GOODE: And how much
11 is the Verizon contract?

12 MR. JONES: The grand total
13 across all funds?

14 COUNCILMAN GOODE: Verizon,
15 yeah. The largest contract is Verizon.
16 How much is that contract for?

17 MR. JONES: Across all funds,
18 Water, Aviation, General, it's about \$15
19 million.

20 COUNCILMAN GOODE: And the
21 Motorola?

22 MR. JONES: So Motorola is
23 really, we think of, as two. There's an
24 \$8.4 million payment, lease payment, we
25 make and then there's a \$3.6 million for

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2 radio maintenance for all the emergency
3 radios.

4 COUNCILMAN GOODE: Are they
5 renewable contracts?

6 MR. JONES: Yes. Yes.

7 COUNCILMAN GOODE: So when was
8 the last time the contracts were bid?

9 MR. JONES: Just to be clear,
10 the 8.4 is just for payments. It's
11 not -- it's a lease payment. So it's not
12 renewable. We make the four payments and
13 we're done.

14 The Motorola one was just
15 started last year. It's in its first
16 year.

17 COUNCILMAN GOODE: How many
18 years has Verizon held the contract?

19 MR. JONES: Since 2008.

20 COUNCILMAN GOODE: Does Verizon
21 subcontract with disadvantaged
22 businesses?

23 MR. JONES: Essentially, no.

24 COUNCILMAN GOODE: Are there
25 subcontracting opportunities within the

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2 contract?

3 MR. JONES: None that we know
4 of. It's all their personnel that we
5 know of.

6 COUNCILMAN GOODE: I'm not sure
7 what you mean by that.

8 MR. JONES: We don't know of
9 any subcontracting that they're doing on
10 behalf of the City to support the City
11 contract.

12 COUNCILMAN GOODE: But you know
13 what you're purchasing, so are there
14 subcontracting opportunities within what
15 you're purchasing?

16 MR. JONES: I'm only hesitating
17 to answer the question because the
18 services that Verizon provides to us is
19 all our data communication, all our
20 connections --

21 COUNCILMAN GOODE: Pull the
22 mike closer to you, please.

23 MR. JONES: I'm sorry. The
24 services they provide to us are very
25 unique and specific to what they do in

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2 terms of their contract. They're
3 providing the voice, the data. They have
4 their technicians on staff. Whether or
5 not they could contract -- teach other
6 companies their systems, I don't feel
7 comfortable answering.

8 COUNCILMAN GOODE: So I'm
9 assuming there was no participation goal
10 within the RFP?

11 MR. JONES: There were
12 participation goals in the RFP when it
13 was put out.

14 COUNCILMAN GOODE: What was the
15 participation goal within the RFP?

16 MS. JAMES: I think it was
17 between 10 and 15 percent.

18 COUNCILMAN GOODE: So how is
19 that 10 or 15 percent goal supposed to be
20 met?

21 MS. JAMES: Councilman, they
22 had listed in their proposal where they
23 had subcontracting opportunities, it was
24 really around small cabling jobs and it
25 was around small services that if they

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2 had --

3 COUNCILMAN GOODE: But there
4 are contracting opportunities?

5 MS. JAMES: Yes, but the bulk
6 of their contract is not in subcontract.

7 COUNCILMAN GOODE: Okay. So
8 there were goals within the RFP. Were
9 there goals within the actual contract?

10 MR. JONES: The details that
11 you're asking, I'm not prepared to answer
12 today. I would like to get --

13 COUNCILMAN GOODE: That's
14 actually somewhat disturbing. I've made
15 it known that I'm asking the same
16 questions every department, and rather
17 than just deal with what the overall
18 goals for the department was and whether
19 you're meeting those goals, what I'm
20 choosing to do is look at the largest
21 contract and walk through the process in
22 terms of what's actually happening.

23 So I asked the question what's
24 the largest contract. You said Verizon.
25 It's a \$15 million contract.

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2 I then asked the question how
3 long have they held the contract. You
4 said since 2008. It's a renewable
5 contract.

6 I then asked whether there were
7 subcontracting opportunities. At first
8 you said there weren't and then you said
9 there were. Then you identified those
10 opportunities. You said within the RFP
11 there was a 10 to 15 percent goal.

12 I asked was that goal within
13 the actual contract. You said you don't
14 know.

15 So you don't know whether
16 Verizon, which was responding to an RFP
17 with a 10 to 15 percent goal and which
18 may have received the contract with a 10
19 or 15 percent goal, is actually living up
20 to that obligation or not. I don't
21 understand how you could not know that.

22 MR. JONES: I appreciate your
23 frustration. That contract was put out
24 in 2008, and I don't personally know
25 that. I should. So I can only apologize

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2 to you at this table. I can get this
3 information to you.

4 COUNCILMAN GOODE: Please
5 forward that information through the
6 Chair. But part of what I expect this
7 whole process to reveal is that as long
8 as you have renewable contracts, no one
9 is probably looking at the contract as
10 long as the goods and services are being
11 provided, so there's not going to be any
12 increased participation. No one is going
13 to go back to the vendor and ask for
14 something different. But that's what's
15 supposed to be happening.

16 And also if you're not bidding
17 it every year, to some extent it may keep
18 you from having to go back to Council in
19 certain ways by doing three-year
20 renewals, but at the same time, we don't
21 know that you're getting any efficiencies
22 out of it. You could actually get lower
23 bids coming in if it's a competitive
24 process.

25 So there's going to be a lot of

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2 questions about, particularly when
3 Procurement comes up, about what
4 percentage of our contracts are actually
5 renewable contracts, because that may be
6 a major problem in terms of both cost
7 savings and cost efficiency. And it may
8 work that renewable contracts are more
9 cost efficient, but don't provide cost
10 savings. But it definitely -- in terms
11 of the issue of disadvantaged business
12 participation, if the deal you have with
13 someone is 10 to 15 percent, it shouldn't
14 just be in the RFP, it should be in the
15 contract, every year you should know what
16 they're producing.

17 MR. JONES: Councilman, we
18 agree. That's one of the reasons we are
19 personally excited about the OEO system
20 that we're trying to stand up, because it
21 will allow us to track those kinds of
22 numbers and assist not only DOT but each
23 department in tracking that, and they are
24 very important to us.

25 COUNCILMAN GOODE: Last

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2 question I will ask, last series of
3 questions. Is Verizon in compliance with
4 the City's living wage and benefits
5 standard?

6 If you don't know, just say you
7 don't know.

8 MR. JONES: I don't know.

9 COUNCILMAN GOODE: Then please
10 forward that information through the
11 Chair.

12 Thank you, Madam Chair.

13 COUNCIL PRESIDENT VERNA:
14 You're welcome.

15 The Chair recognizes Councilman
16 Rizzo.

17 COUNCILMAN RIZZO: Thank you,
18 Madam Chair.

19 Good morning again.

20 MR. JONES: Good morning.

21 COUNCILMAN RIZZO: I've got a
22 couple questions here.

23 MR. JONES: Can you hear me,
24 Councilman?

25 COUNCILMAN RIZZO: I have a

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2 couple questions here, and if they've
3 already been addressed, I was distracted
4 there for a minute. I don't want to
5 duplicate and take up time.

6 I want to go back to that point
7 that you made earlier, Mr. James, about
8 the electric service that was paid to
9 PAID for the transaction that involved
10 the purchase of the WiFi. Last week I
11 asked you a question about what did that
12 transaction cost. Was that number
13 included in that number that you gave me?
14 I think you said somewhere 2 million
15 maybe.

16 MS. JAMES: I gave you the --
17 Councilman, I gave you the \$2 million
18 cost for the acquisition. That's the
19 number I gave you the last time we had a
20 conversation regarding it.

21 COUNCILMAN RIZZO: Was that
22 included in the 2 million?

23 MS. JAMES: It was in the
24 Operating Budget. You see there was a \$2
25 million payment out, which was a one-time

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2 payment, which is not reflected in the
3 budget going forward. That was the
4 acquisition cost. I think it was 1.5
5 overall, but overall it was \$2 million.

6 COUNCILMAN RIZZO: And, again,
7 that's included in there?

8 MS. JAMES: It's not an ongoing
9 cost. It was a one-time cost.

10 COUNCILMAN RIZZO: But what did
11 the transaction really cost?

12 MS. JAMES: The acquisition
13 cost to purchase was 2 million, and I
14 believe I told you that the run rate runs
15 around \$900,000 a year. It's in our
16 Operating Budget. I think with some of
17 the increased electric costs, it's a
18 little over that, but that's the numbers
19 that we were just talking about earlier
20 between PAID and PECO, those electric
21 charges in the leases.

22 COUNCILMAN RIZZO: Okay. Good.
23 Let me go over these three issues, and,
24 again, if you've already addressed them,
25 I apologize.

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2 Code 209 indicates a 1,261,000
3 increase for purchases of service
4 identified as telephone and
5 communications. Can you provide a
6 breakdown of this figure that describes
7 the nature and necessity of these
8 services, please.

9 MS. JAMES: Councilman, are you
10 referring to the Class 209 for Verizon,
11 \$1.2 million increase?

12 COUNCILMAN RIZZO: That's it.

13 MS. JAMES: I think earlier I
14 said that was a transfer between classes,
15 and if I correct my answer, the \$1.2
16 million reflects an increased cost in the
17 run rate because of the additional
18 services that we've added. But we can
19 try to give you a breakdown of what that
20 \$1.2 million reflects.

21 COUNCILMAN RIZZO: We have a
22 system, a Verizon system right now.
23 Let's just talk about telephones. It's
24 called Centrex, right?

25 MS. JAMES: That's correct.

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2 COUNCILMAN RIZZO: It's decades
3 old.

4 MS. JAMES: It was -- the
5 version of Centrex that we have was
6 installed in 1994.

7 COUNCILMAN RIZZO: I think we'd
8 all agree that there are a lot of new
9 technologies, a lot of features that
10 would be added features that come with
11 telephone switches today. I understand
12 that this is still a good buy, if I could
13 say. It's a good buy. But it's
14 certainly far from current.

15 Are we ever planning -- and I
16 understand that there was a political
17 decision at one time when we purchased
18 the Centrex system when Verizon was -- or
19 Bell Telephone was thinking about leaving
20 Philadelphia. Is Centrex still a good
21 investment for this city or are you
22 thinking about maybe starting to grow and
23 put some switches around the town?

24 MS. JAMES: Councilman, the
25 product that we currently have, the

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2 Centrex 610, is a very good,
3 cost-effective product at the price that
4 we're paying and is a reliable and stable
5 service. As far as the future -- and you
6 talk about the changes of technologies
7 and different advancements -- I think
8 that's part of what we're putting
9 together in the new RFP that we're going
10 to put out on the street for the new
11 Verizon contract, or may not even be
12 Verizon. It's going to be whoever the
13 service provider is. But we are looking
14 at many of the things that have been
15 talked about and some of the features and
16 benefits that have come up from time
17 since 1994.

18 COUNCILMAN RIZZO: We all know
19 that police radio system is and hopefully
20 won't be as dependent on an outside
21 vendor, T1's and things like that,
22 hopefully that we will put ourselves in a
23 situation with our infrastructure that
24 it's not so dependent on outside
25 resources, and I think that is one of

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2 your goals?

3 MS. JAMES: That's correct.

4 COUNCILMAN RIZZO: Next

5 question, under Professional Services,
6 there is for 2012 allocated \$800,000
7 identified, Unisys and other providers to
8 be determined. The scope of services is
9 described as Surveillance Camera Project.
10 Could you tell us a little bit about
11 that?

12 MS. JAMES: Yes, Councilman.

13 That used to be a line item in our budget
14 where we were paying Unisys directly for
15 providing all the services related to the
16 police video surveillance project. Since
17 that time, we have reshaped that project
18 and we actually are closing out our
19 contract with Unisys and taking much of
20 the work in-house, but we still need a
21 contract for services like the
22 installation of camera equipment and
23 other services, which we can't currently
24 do internally.

25 COUNCILMAN RIZZO: And the last

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2 question is, let's talk about the item
3 under Maintenance in Support of Computer
4 Hardware and Software, specifically the
5 Verizon 9-1-1 Vista system. There's a
6 \$443,000 increase in that item. What
7 about the relationship between the 9-1-1
8 fund and General Fund money?

9 MR. JAMES: Are you talking
10 about the \$425,000 --

11 COUNCILMAN RIZZO: Four hundred
12 and forty-three thousand, Verizon 9-1-1
13 Vista --

14 MR. JONES: Which page,
15 Councilman?

16 COUNCILMAN RIZZO: Page 82.
17 I'm sorry. Section 21, Page 82,
18 Maintenance in Support of Computer
19 Hardware and Software. That's double the
20 Fiscal Year '11 allocation.

21 MS. JAMES: Councilman, the 451
22 that was in the previous year was a half
23 a year allocation. The 895 reflects the
24 full year funding for the maintenance in
25 support of the 9-1-1 server equipment.

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2 COUNCILMAN RIZZO: It was a
3 half a year in Fiscal Year '11?

4 MS. JAMES: Yes.

5 COUNCILMAN RIZZO: How did that
6 happen?

7 MS. JAMES: When we did the
8 original contract for the 9-1-1 services,
9 it provided a certain amount of services
10 were prepaid up to a period of time and
11 then when it expired, we had to fund the
12 remaining balance, which was a half a
13 year worth of maintenance, which was the
14 451, and now we projected the full
15 funding into the next year's budget.

16 COUNCILMAN RIZZO: Okay.

17 COUNCILMAN GREEN: Point of
18 information.

19 COUNCILMAN RIZZO: I yield to
20 Councilman Green.

21 COUNCIL PRESIDENT VERNA: The
22 Chair recognizes Councilman Green for a
23 point of information.

24 COUNCILMAN GREEN: Thank you,
25 Madam Chair.

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2 In response to Councilman
3 Rizzo's questions, you just mentioned a
4 maintenance contract or that you had
5 prepaid services with respect to a 9-1-1
6 server. Did you issue an RFP for
7 maintenance of that server prior to
8 simply extending the services, and what
9 contract specifically had extensions in
10 it that allowed you to extend it without
11 issuing an RFP?

12 MS. JAMES: This was a 2005
13 contract that was done with Verizon as
14 part of their 9-1-1 services, and at the
15 time, they were -- many of these services
16 were identified as services they were
17 providing under their 9-1-1 tariff. So
18 it wasn't done as an RFP.

19 Since that time, we've taken
20 the decision that these services need to
21 be bid out and will not be part of the
22 way we had normally paid it through their
23 9-1-1 tariff, and that's why we have the
24 funding in here for this line item for a
25 full year.

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2 COUNCILMAN GREEN: I'm sorry.

3 But has it been bid out for this year?

4 MR. JAMES: Not yet. It's part
5 of the bid we're all putting together,
6 along with all of the services that
7 Verizon currently provides.

8 COUNCILMAN GREEN: Was it bid
9 out for the extension for the half a year
10 last year?

11 MS. JAMES: No. We put --

12 COUNCILMAN GREEN: Was that
13 legal?

14 MS. JAMES: We believe we got
15 the legal department to approve that
16 because of the criticality of it, that we
17 were able to put this in place so that we
18 can maintain 9-1-1 services.

19 COUNCILMAN GREEN: Do we have a
20 listing of when contracts expire so that
21 we can, especially prepaid services or
22 other things, so that we don't get stuck
23 having to use the same vendor at whatever
24 price they put forward instead of doing
25 an RFP in a timely way so that we can

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2 have open competition and, as Councilman
3 Goode points out, potentially allow
4 minority vendors and others to have an
5 opportunity to win these contracts?

6 MS. JAMES: Yes, Councilman.

7 We've been going through a process of
8 tracking all of our contracts to make
9 sure that, one, they don't expire without
10 us knowing about them, and, two, when
11 they're planning to be expired, if we can
12 put out an RFP or a different procurement
13 vehicle to buy those services, that's
14 what we're trying to do.

15 COUNCILMAN GREEN: This is at

16 least the second time and I think there
17 may be three times that I've been here on
18 Council in three years -- or I guess this
19 will be my fourth budget process where
20 Verizon contracts, whether they were
21 prepaid services or some other service,
22 expired without our knowing about it or
23 without our having prepared in advance
24 for that, causing us to have no choice
25 but to extend those contracts, and I got

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2 to tell you, it's simply not acceptable
3 for us to be looking at this yet again.

4 With respect to the Unisys --
5 the installation you mentioned, the
6 Unisys contract, is expiring. We're
7 taking those services in-house. Who is
8 going to perform the installation
9 services?

10 MS. JAMES: We're going to bid
11 that work out.

12 COUNCILMAN GREEN: You're going
13 to bid that work out. So does the Unisys
14 contract expire today?

15 MS. JAMES: No. The contract
16 has expired -- will expire the end of, I
17 believe, the fiscal year.

18 COUNCILMAN GREEN: So who is
19 doing installation right now?

20 MR. JAMES: Right now we're not
21 doing any new installations right now.
22 We're maintaining the existing cameras
23 that we have, and we have bid out the
24 work for additional equipment and
25 services to help us with that.

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2 COUNCILMAN GREEN: There were,
3 I think, a number of or at least one
4 minority contractor who did all the
5 installations for the EarthLink wireless
6 network, who are certainly perfectly
7 capable of this. So I hope that you're
8 going to reach out broadly in this camera
9 installation contract.

10 MS. JAMES: We hope to have as
11 many competitors as possible in there.

12 MR. JONES: Councilman Green,
13 one other point to make. On some of the
14 stuff with cameras, our own staff is
15 doing some of this work as well, pulling
16 the wires, but it's the actual camera
17 itself that we don't have the training
18 out yet.

19 COUNCILMAN GREEN: Thank you,
20 Madam Chair.

21 COUNCILMAN RIZZO: And just to
22 finish -- thank you, Councilman.

23 Just to finish, my final
24 question is -- and it's about the
25 surveillance cameras -- how many cameras

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2 are physically -- the hardware is in
3 place on poles with the blue light
4 flashing that don't work? Because I ride
5 around and I see plastic bags over the
6 cameras. That's really a deterrent to a
7 criminal, a plastic bag over a
8 surveillance camera. So I'm just
9 curious, how many do we have that are
10 physically installed that don't work and
11 have plastic bags over them? I would
12 suggest that even if they're not working,
13 take the plastic bag off. They don't
14 know it doesn't work.

15 MS. JAMES: There's

16 approximately 48 cameras that need repair
17 right now and there's probably, I'd say,
18 less than a handful of cameras that are
19 still out there with bags on them that
20 also need infrastructure in them for them
21 to operate. It's a small number, but the
22 48 is the ones that really need repair
23 right now.

24 COUNCILMAN RIZZO: I would hope

25 you'd agree that maybe the plastic bag,

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2 unless you're protecting it from the
3 rain, is not the wisest direction when it
4 comes to surveillance cameras. So maybe
5 the strategy until you get them to work
6 would at least take the plastic bag off
7 of it. The blue light is flashing, but
8 the plastic bag is covering it.

9 MR. JONES: Councilman, we'll
10 consult with the Public Safety Division
11 and take that under advisement.

12 COUNCILMAN RIZZO: Great.
13 Thank you.

14 Thank you, Madam Chair.

15 COUNCIL PRESIDENT VERNA:
16 You're welcome.

17 The Chair recognizes
18 Councilwoman Blackwell.

19 COUNCILWOMAN BLACKWELL: Thank
20 you, Madam President.

21 I was going to ask the question
22 that has been asked with regard to when
23 City Council would not have our staff
24 come to us all day about being locked up
25 and about us having our own Internet

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2 capacity, but I believe Councilman
3 Greenlee asked the question and it was
4 answered. You're hopeful in about 60
5 days we'll be there?

6 MR. JONES: That is what we're
7 driving to.

8 COUNCILWOMAN BLACKWELL: Thank
9 you. I'll wait for that.

10 Thank you, Madam President.

11 COUNCIL PRESIDENT VERA:
12 You're welcome.

13 The Chair recognizes Councilman
14 Green.

15 COUNCILMAN GREEN: Thank you,
16 Madam Chair.

17 You mentioned a potential RFP
18 for phone services. It's long been my
19 contention that much of the network
20 infrastructure problem could be paid for
21 by a VoIP provider without us having to
22 do it ourselves, allowing us to just pay
23 a monthly fee for that rather than
24 spending a lot of dollars up front.

25 Could you talk about the RFP

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2 for new phone service? I think the
3 comment was made in discussion of the
4 Centrex system that it is a good system
5 and it costs about the same as -- it's a
6 fairly priced system, yet for the last
7 three years -- and I don't know if it's
8 in this year's budget. I don't think
9 it's in there. If it is, it's
10 consolidated somehow. There was 2 and a
11 half million dollars in scheduled savings
12 for payments to Verizon as a result of
13 going to a VoIP system, which is a pretty
14 big annualized savings, and I'm just
15 wondering why we haven't issued an RFP
16 that was first promised to this Council
17 in 2008 for VoIP and how much you think
18 it would save us.

19 MR. JONES: Councilman Green, I
20 can't answer why we haven't issued one.
21 I know we've been looking at this issue.
22 We actually agree with you. Even in my
23 testimony I said we've been looking at
24 some managed services to do this. We
25 don't have the perfect answer yet, but

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2 one of the things that we -- a strategy
3 for this RFP that we're doing, we've
4 hired a telecommunication expert, just a
5 small amount, to help us sort of
6 strategize on how to put it together. We
7 want to request as part of the potential
8 option is to have it as a managed
9 service. It doesn't have to be internal.
10 So as part of our whole looking at
11 managed services, cloud computing type
12 things, we are including this in there.
13 So our goal is to have that as an option
14 that someone could propose to us.

15 COUNCILMAN GREEN: To have?

16 MR. JONES: Managed service.

17 We're also building the e-mail system so
18 that it will support unified messaging so
19 that we could actually achieve once we
20 get all the switches in place and the
21 e-mail, that we could actually start to
22 do VoIP as part of the integrated unit
23 messaging system.

24 So we really have three
25 strategies. We're trying to see which

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2 one works out. You and I have had this
3 discussion. We agree with you that it's
4 a very valid thing to consider, and we
5 are.

6 COUNCILMAN GREEN: So when will
7 an RFP be issued that will include people
8 to bid on managed services or VoIP?

9 MR. JONES: Anticipated
10 schedule right now is the beginning of
11 the summer, beginning of the fiscal year.

12 COUNCILMAN GREEN: For the
13 issuance of an RFP?

14 MR. JONES: Yes.

15 COUNCILMAN GREEN: Is there a
16 draft RFP?

17 MR. JONES: We have an outline,
18 early draft for one.

19 COUNCILMAN GREEN: Has it been
20 provided to the Law Department?

21 MR. JONES: No.

22 COUNCILMAN GREEN: Then I would
23 say early summer is a bit unrealistic,
24 wouldn't you?

25 MR. JONES: Well, we have the

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2 same concern, and part of -- that's why
3 it's such a high priority for us. We've
4 been talking to Law about what we expect
5 to do. They've asked us for the first
6 cut. I'm not yet satisfied that it's yet
7 ready to even go. Law Department is
8 swamped like the rest of us and I want to
9 make sure that we give them something
10 they can actually read versus more of an
11 outline. That's why we actually enlisted
12 the help of some outside help, to
13 finalize sort of that strategy. But,
14 yes, it's an aggressive schedule, without
15 question.

16 COUNCILMAN GREEN: There's been
17 talk of the WiFi network. Can someone
18 estimate the value of the assets to the
19 City of Philadelphia that we picked up in
20 the acquisition of the WiFi network? In
21 other words, how much is the equipment on
22 the towers that we're leasing worth? How
23 much...

24 MS. JAMES: Councilman, I
25 believe in the testimony last year when

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2 we did the acquisition that the estimated
3 value, if you compared it to what it
4 would cost to build that network, similar
5 network, was in the \$30 million range.
6 That's why it seemed like a no-brainer as
7 a benefit for us to acquire it at the
8 price that we were being offered.

9 COUNCILMAN GREEN: That's
10 right. And in terms of our ability to,
11 as a public safety and otherwise City
12 services closed-loop network, provide
13 relatively fast Internet access and other
14 things at remote sites, whether they be
15 sanitation facilities or police districts
16 or firehouses or things like that,
17 without having to run a wired network,
18 have we done an estimate of how much that
19 can save us on an annualized basis?

20 MS. JAMES: We have not
21 compared it to the wired line cost of the
22 point-to-point bandwidth. What we've
23 compared it to is what we're paying for
24 our wireless data services. I believe
25 that the spend rate about that is in the

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2 \$900,000 on an annual basis. The
3 proposal at the time when we did the
4 acquisition is that as we make the
5 investments, we'll be able to reduce that
6 number down dramatically and hopefully
7 eliminate it because we'll be able to
8 bring all that internally on our own
9 network. And I believe as I testified in
10 the previous Capital Budget is that we
11 look at it as a converged network of both
12 wireless and wire line so that we'll have
13 that seamless integration between the
14 user's ability to use the wireless
15 network and the wire line network as one
16 complete network.

17 COUNCILMAN GREEN: So when we
18 talk about building out the City services
19 network, the previous two CIOs had
20 discussed using E-911 money to basically
21 build out a WiMAX system that would be
22 for City use citywide. Is that still the
23 plan?

24 MS. JAMES: I think the current
25 plan, because most of the wireless

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2 network is not 9-1-1 eligible, PEMA has
3 not determined that yet as an element --

4 COUNCILMAN GREEN: It is if
5 it's a backup to police radio and part --
6 it can be installed as such and it also
7 can be installed as an interoperability
8 platform with federal and state agencies
9 operating in the City of Philadelphia
10 because it's on a common standard, 5.2.

11 MS. JAMES: So you're answering
12 where I was going to go to, is that we do
13 see that as you just explained, is that
14 it is a replacement service for what
15 we're currently using 9-1-1 dollars for,
16 delivery of wireless services to police
17 and emergency vehicles. So in that case,
18 yes, there is a portion of it that we can
19 use 9-1-1 dollars for.

20 As far as going to a WiMAX
21 network, I think the current network
22 today on the existing platform is that
23 vehicle. However, I think the advances
24 in the future about where we're going
25 with and where the nation is going with

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2 interoperability and the 700 megahertz
3 spectrum more toward an LTE network is
4 probably where we need to look it.

5 COUNCILMAN GREEN: I would
6 completely disagree with that premise.
7 LTE lines, we -- I don't know what that
8 refers to. I assume you're not talking
9 to the wired lines that come from --

10 MS. JAMES: No. No, sir. What
11 I'm referring to is both the FCC, the
12 NTIA, the -- all I'm saying, they're
13 talking about long-term evolution, which
14 is comparable to the commercial where you
15 hear today 4G, LTE network, wireless.

16 COUNCILMAN GREEN: Okay.

17 MR. JONES: And that's a big
18 part of our strategy. We are absolutely
19 looking at this as primarily for public
20 safety. And what we also don't want is
21 to go and build out everything today on a
22 standard that looks like they're moving
23 to something that's denser and higher
24 speed.

25 COUNCILMAN GREEN: I'm

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2 completely technology agnostic, as long
3 as we have high bandwidth, not the 800
4 megahertz.

5 MR. JONES: No, no.

6 MR. JAMES: No, no.

7 COUNCILMAN GREEN: As long as
8 we have high bandwidth out into the field
9 so that we can actually talk to people or
10 send a lot of bandwidth to a fire control
11 officer who wants to see what the
12 infrastructure of a building looks like.

13 MR. JAMES: Right. The 700
14 megahertz -- the LTE, which is the
15 standard that's being pushed by the
16 federal government, is so you can do
17 voice video and data high speed mobility
18 out to the field.

19 COUNCILMAN GREEN: Okay.

20 MR. JONES: As well as density.
21 And I think you're already familiar with
22 the fact that we have been working with
23 the feds to try to make sure that we are
24 staying in sync with them.

25 COUNCILMAN GREEN: I know I've

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2 I mentioned this many times, but we can
3 increase police presence on the street by
4 20 to 24 percent. Every city that has
5 implemented their own closed-loop network
6 like this has had huge increase in
7 productivity, because police persons
8 don't have to go back to the stationhouse
9 to file reports, to deal with paper at
10 all. They can be in neighborhoods, file
11 their reports from their cars, unless
12 there's someone in the back that has to
13 be taken in.

14 So in terms of increasing
15 police presence on the street, that's the
16 equivalent of an additional thousand
17 officers. So in terms of getting E-911
18 approval and spend, I really think that
19 we need to focus on trying to move that
20 forward, and I want to do whatever I can
21 to help you.

22 MR. JONES: We appreciate that,
23 Councilman Green.

24 COUNCILMAN GREEN: You talked
25 about prioritizing IT projects in the

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2 coming months and you noted -- you talked
3 about cross departmental solutions, like
4 an arrest-to-probation system, linking
5 criminal justice system partners, et
6 cetera. I serve on the Criminal Justice
7 Advisory Board whose collaborative
8 efforts really with the Administration,
9 with the Courts and Prisons, et cetera,
10 have reduced the City's prison population
11 by close to 2,000 inmates, saving tens of
12 millions of dollars, and technology is
13 essential to achieving additional savings
14 for the criminal justice system even.
15 Too often we're relying on paper-based
16 processes or siloed, non-integrated
17 computer systems. When you are looking
18 at prioritizing, are you looking at those
19 two items also?

20 MR. JONES: Oh, yes.

21 Absolutely.

22 COUNCILMAN GREEN: So who is
23 looking at the paper-based systems? Is
24 it somebody in DOT or somebody else, or
25 is that what we need the new person for?

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2 MR. JONES: What we're doing
3 right now is, like I said, we're working
4 with the Managing Director and the Deputy
5 Mayors to decide what the priorities are.
6 They haven't been set, but I'm very
7 comfortable that within the top five will
8 be the network, within the top ten will
9 be the cross application, things like the
10 arrest to probation. We have systems in
11 Prisons you know today that need to be
12 replaced. We have the MDOs -- not the
13 MDOs; the MDTs in the police systems that
14 need to be replaced. So the Deputy Mayor
15 for Public Safety had made this his
16 number one initiative that he's striving
17 for. So we're looking at how do we put
18 together this team to actually put
19 something in place that start to reduce
20 the paperwork, as well as start to
21 replace these old systems.

22 We have systems in place today
23 that do these functions, but they don't
24 talk to each other. We met a month ago
25 with the District Attorney's Office. So

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2 we are working right this minute to build
3 this coalition to deliver this type of
4 solution.

5 COUNCILMAN GREEN: But really
6 we're not -- we're at the planning
7 stages, not the studying stages.

8 MR. JONES: Right. We're at
9 the planning stages.

10 COUNCILMAN GREEN: Okay. Could
11 you tell me what the Gartner Group does
12 for us? Last year they were \$50,500.
13 This year they're \$202,000.

14 MR. JONES: Gartner Group is a
15 research and advisory service. They have
16 been providing us with research on
17 staffing, on positions. They've looked
18 at contracts that we had. Just recently
19 we were looking at telephone equipment
20 and we reached out to them, and they tell
21 us whether or not prices that vendors are
22 proposing are in the realm of national
23 averages. They review contracts for us.

24 So they're an internationally
25 known research firm that has provided a

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2 great deal of advisement and review for
3 us. They're indispensable.

4 COUNCILMAN GREEN: Okay. On
5 Section 21, Page 67 of the detail, it
6 lists IT professional service contracts
7 for the Water Department. There are six
8 separate basis2 consultants -- I don't
9 know what that means; you can hopefully
10 tell me -- with contracts ranging from
11 145,000 to over 1 million, for a total of
12 2.63 million. This looks like an area
13 for potential consolidation of contracts.
14 Can you discuss the services provided
15 under each of these eight contracts and
16 whether the City has analyzed contract
17 consolidation.

18 MR. JONES: Sure. There are
19 multiple contracts here. Sometimes it's
20 for one individual, sometimes it's for
21 multiple and sometimes it's for the
22 company that actually owns the software.
23 So when you see Prophecy of America, that
24 is the actual software vendor for the
25 basis2 software. They provide ongoing

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2 maintenance and support, patch releases,
3 security releases, those types of things.

4 COUNCILMAN GREEN: Okay.

5 MR. JONES: In addition, when
6 the system was put in several years
7 back -- I don't know the exact date --
8 there was a team of vendors that really
9 drove the implementation of this system
10 and has continued to provide the ongoing
11 support. That's where you see

12 Information Consultant Services of
13 Delaware, Information Service Partners.

14 It's sort of ironic that you
15 ask that question, because literally last
16 night we were going through scenarios
17 where we could save money in the long
18 term by bringing internal staff on. We
19 have to provide them -- because basis2 is
20 built on a platform that there are zero
21 skills in the City for, we were laying
22 out with Finance and Budget the training
23 that we would need to send some of our
24 folks to, the number of people we
25 would -- we'd need to collapse a couple

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2 positions.

3 So we're on the same page,
4 Councilman Green. We believe that we are
5 doing, and we believe that that's an area
6 that we could save money. Maybe not next
7 year, because there's an investment that
8 has to be made, but certainly the year
9 after.

10 COUNCILMAN GREEN: Well, the
11 issue is, though, that this is the
12 system -- is this the Water Revenue
13 system essentially?

14 MR. JONES: Yes, it is.

15 COUNCILMAN GREEN: Which is a
16 system that costs a ton of money, but
17 then ultimately the final solution was
18 implemented for like 5 million bucks. I
19 can't remember. Is that about right?

20 MR. JONES: That's about right.

21 COUNCILMAN GREEN: So what
22 you're telling me is for a \$5 million
23 implementation, we're spending 2.63
24 million every year on maintenance. That
25 seems --

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2 MR. JONES: No.

3 COUNCILMAN GREEN: --

4 extraordinarily high.

5 MR. JONES: No. You're not
6 spending that much money on maintenance.
7 The original implementation stood up just
8 the core functionality. That system has
9 continued to evolve. I cannot tell you
10 exact percentage. But the original
11 implementation was just basic -- I don't
12 want to confuse the word "basis" and
13 "basic" -- was for to meet the basic
14 requirements. That team has continued to
15 add major new functionality to the
16 system. That's what the 1 --

17 COUNCILMAN GREEN: Could you
18 provide a list of the major new
19 functionality that they've increased for
20 the last year to the Chair --

21 MR. JONES: Sure.

22 COUNCILMAN GREEN: -- because I
23 don't want to waste people's time on it,
24 but I'm a little bit skeptical.

25 I guess the other issue with

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2 respect to this basis2 system is how well
3 will it integrate with a financial
4 package and ERP that we put in place
5 versus really taking an Oracle payment
6 system, if that's what we're going to go
7 with, or whoever we go with, and like
8 sort of doing a re-implementation?
9 Because this seems very expensive to
10 maintain.

11 MR. JONES: So when the final
12 analysis is done, I cannot tell you
13 whether they decide to replace it with a
14 different system or not. As to the
15 question of how well it will interface,
16 this actually happens to be Oracle E-biz
17 suite based.

18 COUNCILMAN GREEN: Would you
19 agree that this is extraordinarily
20 expensive to maintain?

21 MR. JONES: I would agree that
22 that was a lot of money that we're
23 spending. However, because we are adding
24 all this new functionality, I can't agree
25 that it's excessive.

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2 COUNCILMAN GREEN: Well, one
3 person's functionality is another
4 person's wasteful spending. So we'll
5 take a look at the list rather than go
6 back and forth about it.

7 COUNCIL PRESIDENT Verna:
8 Councilman?

9 COUNCILMAN GREEN: Madam
10 President, I have one more question
11 and --

12 COUNCIL PRESIDENT Verna: I
13 know it's your birthday, but at the rate
14 you're going, it will be your next year's
15 birthday and you will be sitting there
16 asking questions.

17 COUNCILMAN GREEN: Yes, Madam
18 Chair.

19 COUNCIL PRESIDENT Verna: This
20 will be your last question?

21 COUNCILMAN GREEN: Yes.

22 COUNCIL PRESIDENT Verna: Thank
23 you.

24 COUNCILMAN RIZZO: I have a
25 point of information.

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COUNCILMAN GREEN: And it's a ten-point question.

Councilman Rizzo had a point of information.

COUNCILMAN RIZZO: I can wait
until your question is finished.

COUNCILMAN GREEN: Okay.

So cloud computing, in my office we use cloud computing for a range of applications, including calendaring, document preparation. My entire campaign is run in the cloud. And I know you have experience with cloud computing from your time in DC. Some worked well, some didn't, although technology has changed.

MR. JONES: Absolutely.

COUNCILMAN GREEN: I'm wondering why we are considering buying our own hardware and having our own data center rather than simply leasing space in a data center even if we control the computers ourselves and the maintenance of them, if that's what we choose to do. In other words, there are plenty of data

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2 centers here in the City of Philadelphia,
3 one at the Navy Yard. I think there's
4 one 400 Spring Garden, something like
5 that. Why we are building out our own
6 data center rather than just great
7 connectivity to existing data centers so
8 that we don't have to heat and cool and
9 do all the stuff, spend a lot of money on
10 space when --

11 MR. JONES: Great question,
12 Councilmember Green. We are actually
13 looking at all three of those. The last
14 part of what you described was a managed
15 service, and I tell you we were looking
16 at managed service from Amazon, from -- I
17 forget the name of the company at the
18 Navy Yard. We've been down and visited
19 them. We've talked to them about what
20 their pricings are. They got a great
21 facility down there.

22 Right at the moment we are
23 trying to get control of -- you cannot
24 put something out in the cloud that you
25 don't even know what you have, and we

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2 have a lot of things, a lot of data
3 centers, a lot of closets, a lot of under
4 desks. So as we go through to get the
5 economies of scale, we've built this
6 server for them to address this
7 particular question, and it makes sense
8 for us to be virtualizing them as we get
9 control of them. That does not mean that
10 we won't use a managed service in the
11 future to do them. One of the things
12 we've looked at is, we're not going to
13 build a data center 85 miles away from
14 here. That is absolutely going to be a
15 managed service, or a cloud. I mean,
16 managed means we manage it. Cloud means
17 they do everything.

18 So we're looking at both of
19 those. That's why we talk to people like
20 NaviSite and Amazon and some of these
21 others. We've even been looking at
22 desktop applications.

23 Yes, you're right, I've had
24 experience with cloud computing for word
25 processing, spreadsheets. We've actually

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2 been talking to not only the vendor that
3 you're referring to, but our current
4 vendor we're talking to about what their
5 service offerings are for cloud, because
6 we've been trying to assess whether or
7 not every worker needs an installed
8 version of a word processing system.

9 So there's a lot going on
10 behind the scenes. We can talk a lot
11 more about it, but we agree with you. We
12 think it's a fantastic idea, and we will
13 probably end up with a mix and we are
14 looking at that.

15 COUNCILMAN GREEN: Thank you.

16 If you have plans for what you think the
17 biggest bang for the buck is in terms of
18 moving to managed services or cloud that
19 we can do expeditiously rather than over
20 time, if you could -- I won't take any
21 more time. If you could provide that to
22 the Chair. Thank you.

23 COUNCILMAN RIZZO: Madam

24 President, I just have a quick followup,
25 point of information.

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2 COUNCIL PRESIDENT VERNA: The
3 Chair recognizes Councilman Rizzo.

4 COUNCILMAN RIZZO: Thank you.

5 I do understand that especially
6 with technology, continuity of services,
7 purchased services is sometimes required.
8 How do we -- and I guess I can eventually
9 ask Procurement. For telephone service
10 we talked about, how do we -- do we ever
11 have a competitive bid when -- we've had
12 30 years maybe of telephone service with
13 one company. How do we adhere to the law
14 and not going out for competitive bids
15 for other providers?

16 MS. JAMES: Councilman, in 2008
17 we did put out a bid.

18 COUNCILMAN RIZZO: Who was
19 going to compete against Verizon?

20 MS. JAMES: To your question,
21 Councilman, what we did is, we put out a
22 request for information prior to putting
23 out the actual RFP, and we did get
24 responses from people who had suggested
25 they were interested in responding to the

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2 RFP, but there was no way that we could
3 do that as a sole source. So we put the
4 RFP out on the bid. There was companies
5 like AT&T was around that could have bid
6 on that, Cavalier, Axel. There was a
7 number of different companies that could,
8 but chose not to.

9 COUNCILMAN RIZZO: Was the bid
10 so written that they couldn't compete
11 because they don't have that product?

12 MR. JAMES: No, Councilman. We
13 had put out a request for proposal
14 explaining what we currently have. We
15 also said that we were looking for a
16 provider that can provide equal to, if
17 not better. So if they had a better
18 solution than the Centrex service that we
19 were offering, we were open to that,
20 assuming that the level of service that
21 we currently have we had to maintain,
22 because we had to maintain at least the
23 status quo, and similar to any other kind
24 of bid, we put services -- we put things
25 in there so that if they chose to replace

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2 it, we were looking for a transition
3 plan, a way that we would move from the
4 current platform to whatever that they
5 wanted to offer us, assuming that they
6 could maintain the level of service for
7 the amount of lines and customers -- I
8 mean internal departments that we
9 support.

10 COUNCILMAN RIZZO: I'll follow
11 up later.

12 MR. JONES: And, Councilman
13 Rizzo, just to follow up on that, we have
14 the same concern you have. We have this
15 conversation probably every month about
16 why aren't we getting enough people,
17 enough vendors to respond to the
18 different RFPs. So we've been actually
19 working with Law, Procurement,
20 Contracting and the Ethics Board to try
21 to "up" the number of people who respond
22 to our RFPs across the board, because if
23 we talk to someone and eight people said
24 they're interested but only one person
25 responds, our hands are somewhat tied.

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2 COUNCILMAN RIZZO: I think I
3 understand.

4 Madam President, I know it's
5 only a point of information. I'll wait
6 and come back to this issue, or I only
7 have about two more minutes, if you want
8 me to finish now or just wait my turn.
9 It's up to you.

10 COUNCIL PRESIDENT VERA: Wait
11 your turn.

12 COUNCILMAN RIZZO: Thank you.
13 I'll be back at you.

14 COUNCIL PRESIDENT VERA:
15 Councilwoman Miller has been waiting an
16 awfully long time.

17 COUNCILWOMAN MILLER: I have.

18 COUNCIL PRESIDENT VERA: Thank
19 you.

20 The Chair recognizes
21 Councilwoman Miller.

22 COUNCILWOMAN MILLER: Thank
23 you. Thank you, Madam President.

24 I just have a couple questions
25 as a followup to this video surveillance

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2 camera. Can we get an update on where we
3 still need cameras? I never quite know
4 whether my district has been completed,
5 and mainly because of the wiring issues
6 that was in the Northwest that prevented
7 cameras from being placed, the optic
8 wiring. I'm not real technical, so I'm
9 just trying to figure out what these
10 things are.

11 MS. JAMES: Councilwoman, we
12 can provide you the list. The list of
13 the locations, as you recall, were
14 determined by the Police Department. So
15 we still have that same original list,
16 but I can give you the list that are
17 specific to those districts in your area,
18 and I can give you the list of cameras
19 that have already been placed in your
20 area.

21 COUNCILWOMAN MILLER: Okay.
22 And what needs to be placed.

23 MS. JAMES: Yes.

24 COUNCILWOMAN MILLER: And then
25 we also had some with plastic bags. So

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2 Councilman Rizzo's point is very well
3 taken, particularly on Wayne Avenue. We
4 don't need a camera there with a plastic
5 bag. We need a camera there that works.

6 MS. JAMES: And, Councilwoman,
7 all the Wayne Avenues are done. There's
8 no bag on any of the cameras on Wayne
9 Avenue, any of the 14th or the 35th and
10 39th.

11 COUNCILWOMAN MILLER: All
12 right. Very good. So I'll look forward
13 to getting that information. And I'd
14 like to have an update on the placement
15 of the 800 computers in the 73 sites
16 across the City. Have you started that
17 and where are they and what -- just give
18 us an update, the status.

19 MR. JONES: We haven't started
20 the actual placement.

21 COUNCILWOMAN MILLER: You have
22 not started?

23 MR. JONES: Right. We know
24 where they're going to go. The stage
25 we're at now, we have just, I think,

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2 completed almost or all of the partners
3 that are working with us to run the
4 centers, and we're scheduled to start the
5 first one -- when is the first center?

6 MR. BUSS: I'd say about a
7 month from now.

8 MR. JONES: Andrew, tell them
9 who you are.

10 And I'll let my Program
11 Director for that program answer.

12 MR. BUSS: I'm Andrew Buss.
13 I'm the Director of Public Programs.

14 I think we'll start
15 implementing within about a month, and
16 probably over the next three months
17 there'll be a lot of lab implementations.
18 As far as where they are, I'd be happy to
19 provide the list to you.

20 COUNCILWOMAN MILLER: Well, I
21 had a list that was specific to my
22 district of where they were going to be
23 placed, but in addition to that list of
24 the community agencies, are they also
25 going to be -- I believe that they're

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2 going to be placed in most rec centers,
3 or am I wrong?

4 MR. BUSS: There are 19 rec
5 centers.

6 COUNCILWOMAN MILLER: Nineteen?
7 Okay. So I would look forward to that
8 information. If you're going to do it in
9 a month, that's good, because we've been
10 talking about this now, what, since
11 September?

12 MR. BUSS: Yes. We've been
13 tied up mostly with contracting. So
14 we're through that now. We should be
15 good to go.

16 COUNCILWOMAN MILLER: Okay.
17 All right. Thank you.

18 One other question, Council
19 President.

20 I need to ask a question about
21 City Council's website, and I don't know
22 whether anyone else asked this or not,
23 but why is it that we cannot put
24 information on our website about what our
25 specific offices are doing, you know,

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2 maybe today's hearing or a bill that
3 we've sponsored that's going to be heard?
4 Why are we so limited? We can't do
5 anything. That's why we have to have
6 Facebook or Twitter or some of those
7 other social networking places, just to
8 get information out to our constituents.

9 Most of the other web -- if I
10 go on the computer and look up an elected
11 official, state or federal, things that
12 they're doing, things they've done,
13 upcoming events, bills, just all kinds of
14 information are on those sites, and our
15 site is so limited. We can't do
16 anything.

17 MR. JONES: Councilmember,
18 we've worked with your Chief
19 Administrative Officer about requests
20 that you all want to do on your website,
21 and all we've asked is that you
22 coordinate them through them. She will
23 provide those types of things to us.
24 There's the Council website on phila.gov
25 and then you have some individual ones,

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2 but if you work with your Chief
3 Administrative Officer, we're happy to
4 try to address any of these issues.

5 COUNCILWOMAN MILLER: So you're
6 saying that we can put information that I
7 described on our website through our
8 Chief Administrative Officer?

9 MR. JONES: Chief Accounting
10 Officer. I'm sorry.

11 COUNCILWOMAN MILLER: Well,
12 whoever.

13 MR. JONES: Yes. I mean, I
14 don't know everything you want, but, yes,
15 you can update the content on those
16 websites and stuff like that.

17 COUNCILWOMAN MILLER: All
18 right. I'm going to go on there, because
19 the last thing -- for example, if I just
20 want a website -- if I want to add
21 anything to Councilwoman Donna Reed
22 Miller's website, you're saying I can do
23 that?

24 MR. JONES: I'm saying, yes,
25 you can add information to your website.

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2 We just need you to coordinate it through
3 your Chief Accounting Officer.

4 COUNCILWOMAN MILLER: Okay.

5 MR. JONES: It's Anne Kelly.

6 COUNCILWOMAN MILLER: Yeah. I
7 know exactly who you're talking about.
8 All right.

9 MR. JONES: I'm happy to meet
10 with you afterwards to talk about this in
11 detail.

12 COUNCILWOMAN MILLER: Yeah,
13 because I thought our website was kind of
14 useless, and I just want to be able to
15 put information on there. Now, I don't
16 go on it all the time, but the last time
17 I went on it, it had a picture of all
18 Councilmembers and the phone number and
19 the e-mail address and that was it.
20 Maybe I'm missing something.

21 MR. JONES: The content itself,
22 we do not -- DOT does not control the
23 content. We make it happen, make it come
24 up. But if you want additional content,
25 I think the best thing to do is us to sit

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2 down and I'll try to make it happen this
3 week. It's just understanding what it is
4 you want, but, I mean, content is yours
5 to control.

6 COUNCILWOMAN MILLER: Okay.

7 All right. Good. So we can talk
8 afterwards. Thank you.

9 Thank you, Madam President.

10 COUNCIL PRESIDENT Verna: Thank
11 you.

12 The Chair recognizes Councilman
13 Clarke.

14 COUNCILMAN CLARKE: Thank you,
15 Madam President.

16 Good morning.

17 MR. JONES: Good morning.

18 COUNCILMAN CLARKE: Real quick.
19 First, can you get me a list of the sites
20 that were selected for the
21 stimulus-related activity for
22 neighborhood sites? I don't have my list
23 for my Council District, No. 5.

24 MR. JONES: Okay.

25 COUNCILMAN CLARKE: Getting to

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2 the cameras, correct me if I'm wrong,
3 right now we have three types of systems.
4 One was the original square box with the
5 blinking light that were essentially
6 recording. Then we have a hardwired
7 site, which was the second phase, and now
8 we have hybrid cameras. Am I correct?

9 MS. JAMES: That's correct,
10 Councilman.

11 COUNCILMAN CLARKE: In terms of
12 the older models that were essentially
13 recording the discs -- and I don't
14 know -- who is responsible for pulling
15 the disc and reviewing the content?

16 MS. JAMES: The original
17 models, the pods as we called them, the
18 hard drives are pulled by the Police
19 Department based upon activity in the
20 area. And for evidentiary purposes, the
21 police have to go up and actually take it
22 out, and then they take it and they take
23 it back to their audiovisual group and
24 they look at the video.

25 COUNCILMAN CLARKE: The Police

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2 Department is not here, I'm assuming.

3 When you say "activity," does that

4 mean -- do they determine the level of

5 activity? So does that mean if there's a

6 the shooting, they pull the disc, or do

7 they periodically pull the disc to see

8 what actually is going on at that corner?

9 Because we actually have a couple of

10 locations where the drugs are sold under

11 the camera, because there's a belief that

12 nobody is, first of all, watching; second

13 of all, they're never pulling the disc.

14 MR. JAMES: The Police

15 Department determines when they retrieve

16 the disc, whether it's incident based or

17 they just periodically do it as part of

18 their policing of the area. But they

19 determine that.

20 COUNCILMAN CLARKE: So in terms

21 of questionings relating to the

22 functionality of the unit, that's you,

23 but --

24 MS. JAMES: That's correct.

25 COUNCILMAN CLARKE: -- use as

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2 it relates to public safety issues,
3 there's probably no need for me to
4 continue this line of questioning,
5 because the Police Department pretty much
6 handles that part of it?

7 MS. JAMES: Yes.

8 MR. JONES: Yeah. One of the
9 things we try to keep emphasizing, we're
10 responsible for the technology, but the
11 use of that information is -- it's a
12 business user issue. So Police makes
13 that call about why they want to pull the
14 unit or not.

15 COUNCILMAN CLARKE: Okay. I'll
16 have to wait until that department comes
17 up.

18 And I know you spoke of this
19 earlier. What's the timeline again on
20 the EarthLink purchase and the ability to
21 utilize the EarthLink purchase,
22 infrastructure, for expanding the network
23 on public safety, both camera and
24 interaction between departments?

25 MS. JAMES: So the acquisition

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2 has been completed. We are still in the
3 phase of optimizing the network. We have
4 to do a lot of things internally to make
5 it a City internal network and make it a
6 private network. Probably going to take
7 us into the summer to get a lot of that
8 stuff done. So that we have planned
9 towards the summer to be able to have
10 full control over the network so it's
11 totally private and also to do a couple
12 demonstration -- we have about four
13 departments, Police being one of them,
14 where we're going to actually do
15 demonstration pilots to test out the
16 network and test out some of the
17 functionality. And then from there,
18 we're going to continue our build-out,
19 how we're going to actually change the
20 network to make it work for the users.

21 COUNCILMAN CLARKE: And the
22 build-out will include purchase of
23 additional cameras?

24 MS. JAMES: Well, we're going
25 to be kind of syncing those projects

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2 together, because we have a video
3 surveillance project is running on a
4 parallel track and then we're going to be
5 working along with that to use the
6 wireless network to deploy cameras as
7 well.

8 MR. JONES: But they are two
9 separate -- to be clear, they are two
10 separate projects.

11 COUNCILMAN CLARKE: I
12 understand.

13 MR. JONES: The wireless
14 network and the video cameras.

15 COUNCILMAN CLARKE: I
16 understand. But my question is relating
17 to the video cameras, because we do not
18 have them deployed across the City. Will
19 this capability that we have purchased
20 allow us to better utilize the cameras
21 that we have by enhancing the hybrid or
22 the wireless versions; therefore, not
23 requiring as many cameras as we
24 originally proposed, or are we going to
25 get new cameras?

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2 MS. JAMES: I think we're going
3 to have additional cameras. I think what
4 it will allow us to do is speed up the
5 deployment, because we'll be able to
6 deploy it to locations where we don't
7 have to run wire to to get them out into
8 the neighborhoods a lot faster.

9 COUNCILMAN CLARKE: Mobile?

10 MR. JAMES: Mobility is one of
11 the things that is on that track of
12 functionalities that we're trying to
13 build for Police, so that we can take the
14 video and pass it out to a car or --
15 right now we are able to pass the video
16 out to the police mobile incident
17 response vehicles.

18 COUNCILMAN CLARKE: To the
19 vehicle?

20 MS. JAMES: Yeah. We can do
21 that today, and we have done that on a
22 couple of different --

23 COUNCILMAN CLARKE: How many of
24 those vehicles do we have?

25 MS. JAMES: I believe the

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2 Police has three, what they call those
3 mobile incident response vehicles, the
4 MIRVs. I believe we have three of them.

5 COUNCILMAN CLARKE: All right.

6 Thank you.

7 Thank you, Madam President.

8 COUNCIL PRESIDENT Verna:

9 You're welcome.

10 The Chair recognizes
11 Councilwoman Brown.

12 COUNCILWOMAN BROWN: Thank you,
13 Madam President.

14 Good morning.

15 MR. JONES: Good morning.

16 COUNCILWOMAN BROWN: I came in
17 on the tail end of Councilman Goode's
18 questions regarding MBE/WBE activity. I
19 need to get some clarity regarding
20 Verizon.

21 MR. JONES: Okay.

22 COUNCILWOMAN BROWN: So with
23 the Verizon contract, just review for me
24 what happened so that I don't misspeak
25 here with regards to MBE/WBE activity.

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2 Was there a stated goal in the contract?

3 MS. JAMES: There was a stated
4 goal in the RFP. I don't think we can
5 answer the question whether it was
6 actually in the contract. I think one of
7 the things that we recognized from that
8 contract and because of the performance
9 issue that Councilman Goode raised is
10 that in an RFP, we plan to take a lot of
11 those services that were traditionally
12 bundled in there that there was no
13 subcontracting opportunities in to put
14 them out and take them out of that
15 contract so we can have the opportunity
16 to have more contracting opportunities
17 and subcontracting opportunities and not
18 have it all bundled under one.

19 COUNCILWOMAN BROWN: When do
20 you expect to do that?

21 MS. JAMES: Well, we had talked
22 about trying to have the RFP out this
23 summer, beginning of the new fiscal year.

24 MR. JONES: So we're not
25 expecting to do it with the one that's in

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2 place today. It's the new one that we
3 are trying to put out to look at
4 different options.

5 COUNCILWOMAN BROWN: I clearly
6 remember when there was a lot of
7 discussion and, quite frankly, advocacy
8 on behalf of Verizon, and then issues and
9 concerns were raised about Verizon's
10 commitment to MBE/WBE activity. So
11 you're telling me that it was stated in
12 the RFP, but we have no evidence of
13 whether or not whatever they stated was
14 honored?

15 MS. JAMES: I can't tell you
16 right this minute.

17 COUNCILWOMAN BROWN: So you'll
18 get that information back?

19 MR. JAMES: Yes. We will
20 respond back to the Chair.

21 COUNCILWOMAN BROWN: Okay. I
22 do need to commend you on the aggressive
23 outreach strategies I see stated in your
24 testimony --

25 MR. JONES: Thank you.

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2 COUNCILWOMAN BROWN: -- to grow
3 a robust pool of potential MBE/WBES. In
4 the short time I've been here, I've never
5 seen this type of reach deep in the
6 community to grow the pool of MBE/WBES.

7 MR. JONES: Thank you.

8 COUNCILWOMAN BROWN: So with
9 that, this is what I wanted to ask. When
10 you have these type of outreach
11 activities, alert Councilmembers, because
12 we too hear of MBE/WBES who have an
13 earnestness in wanting to participate and
14 they are just out of loop of information
15 for these type of opportunities. So
16 inform us as well so that we can spread
17 the information around.

18 MR. JONES: Yes, we will.

19 COUNCILWOMAN BROWN: Okay. So
20 enough about that.

21 You said in response to
22 Councilwoman Donna Reed Miller's
23 questions that we can speak to our Chief
24 Administrative Officer with regards to
25 updating our City Council website,

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2 correct?

3 MR. JONES: Yes.

4 COUNCILWOMAN BROWN: Councilman
5 Green spoke of cloud -- finish the
6 sentence for me.

7 MR. JONES: Cloud computing.

8 COUNCILWOMAN BROWN: I would
9 ask that offices that are interested --
10 better yet, I'll speak with Madam
11 President about having a briefing with
12 Councilmembers and staff so that we too
13 can learn about that and see if we want
14 to adopt that practice in our offices.

15 MR. JONES: Certainly.

16 COUNCILWOMAN BROWN: Okay. On
17 Page 2 of your testimony, you state that
18 your department has discovered some
19 contracts that can potentially be
20 consolidated. Which ones might that be?

21 MR. JONES: Well, there's a
22 number of potential options. Like one of
23 the ones that we have actually already
24 consolidated because we thought it made
25 sense was, there was a document

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2 management contract where we had eight
3 separate ones and we're working to --

4 COUNCILWOMAN BROWN: Eight
5 separate ones?

6 MR. JONES: I'm sorry; 18
7 separate ones, and we're working to
8 consolidate as one. We've also had
9 situations where we had a need to augment
10 our technical staff with additional
11 skills, and we found that sometimes the
12 same vendor was selling their services to
13 the City at different rates. So we put
14 out a set of -- last year and then we're
15 repeating it again this year, because we
16 try to rebid it every year, where we are
17 putting out an RFP to identify three to
18 five staff aug companies that are used
19 all over the City. So now no matter
20 which department is using it, they'll get
21 consistent rates and we can manage it
22 centrally.

23 We've also talked to people
24 like Oracle for the databases we use
25 about how we might have a consolidated

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2 contract, because we had separate
3 department ones.

4 So we were -- I cannot sit here
5 and claim that we've had a great deal of
6 success in terms of dollars, but we've
7 had a great deal of success in
8 identifying potential contracts and that
9 we can going forward now, we understand
10 the City's needs better that we can work
11 out the best deal.

12 It's not always feasible -- I
13 personally came in here with a bias that
14 I was going to save money immediately on
15 our database vendors, because I had done
16 it in DC, and it turns out actually we
17 don't spend enough money on them to
18 actually have any leverage to really save
19 a whole lot. So it's all about doing the
20 evaluation and deciding which ones are
21 the best targets to go after and which
22 ones aren't.

23 COUNCILWOMAN BROWN: Sure. And
24 as you do that, it really is a
25 double-edged sword, because the follow-up

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2 question becomes, And how does that
3 impact MBE/WBE participation as well.
4 When you move to one, then you're going
5 from hopefully eight different MBE/WBEs
6 in those instances where you have eight
7 different contracts.

8 MR. JONES: Yeah. Well, I can
9 give you an example. Last year we let
10 out an RFP where we selected -- we had
11 35 -- 31 responses last year -- we had
12 over 30 responses last year. We ended up
13 selecting three companies to provide the
14 talent, two of which were OEO firms and
15 one was -- I don't know what the title
16 is, mainstream. And then even there, we
17 looked beyond that. Two of them was
18 actually Philadelphia based.

19 So we do look actually very
20 hard at those types of things to try to
21 figure out what's best both for the OEO
22 community and also what's best for
23 Philadelphia. And we're trying.
24 Certainly we're not perfect, but we're
25 trying to make sure that we are spreading

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2 the wealth appropriately.

3 COUNCILWOMAN BROWN: Well, I
4 need to say thank you. I don't know how
5 long you've been here, but it's clear
6 that you're trying. Because we have some
7 department heads who have been here
8 longer than ten years and every year
9 still we are wrestling with why aren't
10 you doing better. So your effort comes
11 through.

12 MR. JONES: Thank you. And
13 like I said in my testimony, my executive
14 team took this very personal in terms of
15 trying to raise these numbers, both in
16 the OEO area as well as try to look for
17 Philadelphia firms. So it isn't just me.
18 It's the executive team is trying to do
19 it.

20 COUNCILWOMAN BROWN: Well, and
21 leadership sometimes goes from top down
22 as well as bottom up.

23 MR. JONES: Thank you.

24 COUNCILWOMAN BROWN: In your
25 testimony, you state your office intends

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2 to convert the current e-mail system to a
3 new, more modern one. How will the
4 e-mail system work differently after this
5 conversion, or will it?

6 MR. JONES: Well, there's a
7 part of me that wants to say e-mail is
8 e-mail, but that's really not true. The
9 current system is eight years old, hasn't
10 been updated in a long time. It has its
11 own benefits and merits, don't get me
12 wrong. But one of the things that we
13 looked for was part of when we were
14 looking at the e-mail system, we had to
15 look for a lot of technical issues like
16 its ability to support security, to
17 support archiving. We also wanted
18 something that made sense in terms of our
19 desire to ultimately have a voice over
20 IP, VoIP -- you've heard a lot about
21 it -- solution and to have a unified
22 messaging.

23 If I were to take you on a trip
24 to DC, you would see the system that we
25 implemented there that now no matter

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2 where people walk around, their voice
3 mail messages follow them to be
4 converted.

5 So we're trying to modernize
6 the system. We've taken a lot of flack
7 at the time that it takes to get it done,
8 and we agree. We wish we would have been
9 faster. But we've done -- doing it,
10 we've discovered a lot of technical
11 issues that had to be resolved and it's a
12 little bit of shift in direction, but our
13 hopes is that we will absolutely -- we
14 believe that we can finish it this
15 calendar year. That's what we're driving
16 to.

17 COUNCILWOMAN BROWN: When did
18 you start? And the only reason why I
19 asked is because we've changed kind of
20 sacrifice, and sometimes sacrifices
21 needed time to get it done differently.

22 MR. JONES: I don't know the
23 exact -- 2009.

24 COUNCILWOMAN BROWN: Okay.

25 MR. JONES: So we started in

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2 2009, but as we were progressing through
3 that, a lot of things were uncovered. I
4 don't know if you were in here when I
5 made the analogy that all my team keeps
6 telling me to stop doing of like doing
7 renovation. When we started to pull down
8 the walls, we discovered there were
9 things we just had to fix before we could
10 continue.

11 COUNCILWOMAN BROWN: I see.

12 MR. JONES: And that's one of
13 the cases here. So we've actually
14 implemented it in all of the departmental
15 technologies at 1234 location. We've
16 decided we would be our own guinea pigs,
17 because this is a fundamental change in
18 the way people get done on something
19 that's a core to their business, to their
20 lives.

21 COUNCILWOMAN BROWN: Sure.

22 MR. JONES: And you're glad we
23 did it to ourselves first, because we
24 found some definite quirks and issues
25 that we've now been able to iron out, and

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2 now that makes us now ready to go forward
3 with the rest of the City.

4 COUNCILWOMAN BROWN: So, again,
5 I think that simply speaks to strong
6 leadership. So I commend you in that
7 way.

8 Let me just make sure I've
9 covered all my bases here.

10 So let me just get back to
11 Verizon, make sure I understood what I
12 think I heard. You're going to report
13 back to President Verna -- state again
14 exactly what you're going to report to
15 her so we know what to expect next time
16 around.

17 MR. JONES: We're going to
18 report back -- go ahead, Joe.

19 MS. JAMES: We're going to
20 report back to you what was the stated
21 OEO goals in the RFP and what were the
22 stated goals in the contract and what has
23 been their performance since the contract
24 was awarded.

25 COUNCILWOMAN BROWN: Okay.

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2 I think that's it for me, Madam
3 President.

4 I thank you, gentlemen.

5 MR. JONES: Thank you.

6 MS. JAMES: Thank you.

7 MR. JONES: Madam President,
8 may I make one -- two quick corrections?

9 COUNCIL PRESIDENT VERNA: Yes,
10 please.

11 MR. JONES: Councilman
12 Greenlee, I apologize. I misspoke when I
13 said that BRT was maintaining their own.
14 My team has corrected me that the split
15 just happened, but it turns out now that
16 we are the ones supporting BRT. So,
17 again, I will meet with you to find out
18 what issues you have about that.

19 And it was also pointed out
20 that when I talked about the procurement
21 system, I made it sound like that what
22 we're working on is the entire
23 procurement system. The speed portion is
24 just the front-end requisitioning, and I
25 didn't want to give that erroneous

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2 impression. So my apologies for the
3 misstatement.

4 COUNCIL PRESIDENT Verna: Thank
5 you.

6 Councilwoman Brown, are you
7 finished?

8 COUNCILWOMAN BROWN: Yes, I did
9 have one more, Madam President.

10 On Page 2 of your testimony you
11 talk about the rollout of the Sidewalk
12 Education and Enforcement Program. Just
13 speak briefly to what that is.

14 MR. JONES: That is the
15 sidewalk clean-up where you have to
16 maintain the dumpsters and keep the area
17 clean. Actually, the inspectors who go
18 out now actually have a handheld device
19 where they can scan -- they can write the
20 tickets right there with the shop owner
21 right there and give it to them right on
22 the spot. It's been a great success.
23 They don't have to come back to the
24 office. It speaks to Councilman Green,
25 Councilman Rizzo's whole desire for us to

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2 try to move the workforce closer to the
3 actual work and to let them do this.

4 This is a great example, a great success
5 story of where we step one, baby step but
6 step one, of where we're actually putting
7 the workforce right where it needs to be.

8 COUNCILWOMAN BROWN: And that's
9 strictly for commercial businesses?

10 MR. JONES: Yes. Yes.

11 COUNCILWOMAN BROWN: And so I'm
12 curious to know, just out of curiosity,
13 what type of education, if you will, or
14 awareness was given to businessowners so
15 that they know the hit is coming if you
16 don't clean up your act?

17 MR. JONES: Yeah. Streets did
18 an entire -- it's really a Streets
19 Department initiative, and the Streets
20 Department did a whole campaign, to the
21 best of my knowledge, about this, a whole
22 campaign telling people what was coming,
23 what the situation -- I don't remember
24 all the details, but I remember seeing it
25 go out.

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2 COUNCILWOMAN BROWN: For the
3 record, just tell us a little bit about
4 your background, how long you've been
5 here, please.

6 MR. JONES: Sure. Again, my
7 name is Thomas Jones. I've been with the
8 City since November of 2009 where I came
9 in under the previous CTO as the First
10 Deputy and Chief Information Officer.
11 Prior to that, I spent two years with the
12 District of Columbia as their Deputy
13 Chief Technology Officer under Vivek
14 Kundra, who is now the U.S. CIO. Prior
15 to that, I was across the water in
16 Trenton at the State of New Jersey where
17 I was the Assistant Chief for Application
18 Development, and then -- I don't want to
19 tell how old I am, so I'm not going to
20 say how many years prior to that, but I
21 started my career literally running these
22 mainframe computers and just worked my
23 way up through the ranks. So I guess
24 I'll say it. I have over 30 years of
25 experience in the field.

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2 COUNCILWOMAN BROWN: Thank you
3 very much.

4 MR. JONES: Thank you.

5 COUNCILWOMAN BROWN: You're
6 welcome.

7 Thank you, Madam President.

8 COUNCIL PRESIDENT Verna: Thank
9 you.

10 The Chair recognizes Councilman
11 Jones.

12 COUNCILMAN JONES: Thank you.

13 Very quickly, because I do know
14 that you've been up here quite a long
15 time --

16 MR. JONES: That's okay.

17 COUNCILMAN JONES: -- and I'm
18 impressed with your endurance.

19 MR. JONES: Thank you.

20 COUNCILMAN JONES: But I would
21 compliment you as well on your digging
22 deep, as Councilwoman Reynolds Brown
23 says, about inclusion. That is important
24 to each and every member of this Council,
25 and we thank you for that.

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2 I ask this, though. On the
3 hardware side, do you have a rough ball
4 park estimate of what we spend on
5 hardware annually or what we're
6 anticipating to spend on -- when I say
7 "hardware," not every -- I mean cameras
8 but computers, mainframes, things like
9 that.

10 MR. JONES: Yes.

11 COUNCILMAN JONES: What is our
12 estimate?

13 MR. JONES: As my team here is
14 looking up some numbers, I think you're
15 probably thinking mostly in terms of your
16 laptops, desktops versus --

17 COUNCILMAN JONES: I'll take
18 it -- yeah. No major systems, not
19 wiring, but end-user kinds of equipment.

20 MR. JONES: So I know last year
21 we replaced about 2,100 PCs. We spent
22 about a million dollars last year on
23 desktops.

24 COUNCILMAN JONES: So what is
25 the lifespan of equipment like that?

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2 MR. JONES: So if you don't
3 mind, if you'll allow me, I'd like to
4 just talk about PCs, because once you get
5 into the bigger machines --

6 COUNCILMAN JONES: But at the
7 end of the day, where I'm going, so that
8 you can incorporate that, is how much
9 leasing versus purchasing, do we build in
10 for obsolescence and upgrades.

11 MR. JONES: So I'll have to
12 come back with the number, but that's
13 actually something that we've been
14 discussing very heavily and we've
15 investigated. Like, for example, out in
16 Prisons, we lease their servers, and
17 we've investigated -- we're trying to
18 investigate whether or not leasing, in
19 and of itself, is a better solution,
20 because there are some leasing deals out
21 here where automatic replacement. It's a
22 juggling act that you have to do, because
23 leasing is going to always be operating
24 dollars in a given year. Capital you can
25 at least spread over.

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2 I'm not qualified to make all
3 those decisions. I pull in the Budget
4 and Finance group to help me with those
5 kinds of decisions, because that's not
6 where my area of expertise lie. But we
7 have investigated with all the major
8 vendors and we're continuing to
9 investigate it even more so, because
10 since the City does not have a fantastic
11 record of being able to replace this
12 equipment in a timely manner, we would
13 love for it to be like every four years,
14 at a maximum. We have many pieces of
15 equipment that are seven, eight years
16 old.

17 We wanted to see if we were to
18 lease with an automatic replacement what
19 would be the operating expense hit. I
20 don't have that number for you yet, but
21 we are working with Finance and Budget to
22 try to come up with what makes sense to
23 do, and we know in some isolated cases,
24 we have done it and then others we
25 haven't yet gotten there yet.

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2 COUNCILMAN JONES: When I look
3 at Bill No. 100848 as an example, those
4 kinds of critical decisions are the
5 difference between millions of dollars
6 worth of taxpayers' money that can be
7 saved. In addition, functionality, just
8 functionality, I mean it's reminiscent of
9 the commercial that's out where the guy
10 gets the new phone and he says, 4G? And
11 they said, No, we already have 5G out and
12 waiting on 5GA.

13 I mean, that's a joke, but it
14 is not, because as we try to keep up with
15 technology, it advances on us, and the
16 usefulness of a computer that can't
17 download a particular software because
18 it's not configured in a proper way just
19 is frustrating. And one of the beautiful
20 things about young people and our interns
21 is that they look at our equipment and
22 chuckle to themselves and say, Where did
23 you get that, Grandpa? And so we need to
24 build this obsolescence into our
25 procurement activities, thus allowing us

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2 not to bear the burden of owning Fred
3 Flintstone's first laptop.

4 MR. JONES: This is true. I
5 agree with you, Councilman Jones, but
6 there is one other factor that has to
7 come into this, and, again, I do not
8 pretend to be qualified in all the
9 financial realms that my financial team
10 looks into, but one of the things that
11 people forget quite often is that if you
12 purchase it today and regardless of
13 whether you like the fact that it's six
14 years old or not, you didn't make
15 payments for five years. If you lease
16 it, you must make -- that is a that-year
17 impact on your Operating Budget. So
18 that's just one factor that quite often
19 is overlooked.

20 COUNCILMAN JONES: And I want
21 you to think about all of the factors.

22 MR. JONES: And that's exactly
23 what we're doing.

24 COUNCILMAN JONES: But I want
25 you to think about it, is my point. And

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2 you are better qualified and the team
3 that you've gathered is better qualified
4 to make that decision, but there are
5 times when I know we're getting it wrong
6 and we're -- the folk that brought it to
7 us on the back of a truck are laughing
8 because they know it's obsolete and we
9 haven't caught up with the joke. So I
10 need that --

11 MR. JONES: We agree.

12 COUNCILMAN JONES: -- concrete
13 analysis, and we look for you to make
14 those good decisions on our behalf. And
15 I know I've dealt with people at that
16 table for over decades and I trust that
17 judgment, but I want us always, always to
18 sharpen our pencils in that computation,
19 because a mistake, a slight mistake, gets
20 us 10,000 eight track tape players and
21 nobody within this decade knows what they
22 are. And so we rely on you to take care
23 of that.

24 MR. JONES: We agree, and we
25 will definitely do that.

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2 COUNCILMAN JONES: Thank you,
3 Madam President.

4 COUNCIL PRESIDENT VERNA: Thank
5 you.

6 The Chair recognizes Councilman
7 Rizzo.

8 COUNCILMAN RIZZO: Thank you,
9 Madam Chair.

10 I want to get back to some of
11 these technologies that we've been living
12 with for a lot of years. Realistically,
13 I listened to what you said about sending
14 out bids. Who -- and let's be candid
15 here. Who could bid against the current
16 product that we have that is offsite,
17 that doesn't require any installation of
18 switches in our buildings? All this
19 equipment that makes this system that we
20 have work is in the central office at the
21 telephone company. So realistically, you
22 could put that out that you said earlier,
23 but there's no way in the world anybody
24 could compete without a very, very
25 extraordinary expenditure on installing a

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2 lot of telecommunications equipment in
3 our facilities. Am I right?

4 MS. JAMES: Councilman, I think
5 there's the opinion that things have
6 changed, and what the Verizon product
7 that we currently have is a managed
8 solution. So it's back to what Tommy was
9 talking about before between the
10 difference between a managed solution and
11 a cloud-based solution. There's probably
12 a way to do cloud-based solution to
13 provide us the telephony that will be
14 comparable to the solution we have today
15 and that there are more like service
16 providers, not the traditional telephony
17 type, who treat this as an application on
18 a network, not as an end product, that
19 could offer us a very attractive
20 opportunity to look at what technology
21 can do, and I think that's to the point
22 what Councilman Green was referring to
23 earlier in his questioning.

24 COUNCILMAN RIZZO: Well, my
25 point is that we really have to get with

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2 it because of what Councilman Jones just
3 said, some of the dinosaurs that we have.
4 Some departments said if they had caller
5 ID, as an example, how an anonymous call
6 that comes into a police district, how
7 helpful it would be for them to have that
8 data and not have to go through the
9 subpoena process to get information.

10 I just can't imagine that we
11 can't start a process where we start
12 installing our own switches throughout
13 the City, and at the end of the day, I
14 think years from now with the upgrades
15 that are available -- we talked about
16 some of this obsolescence -- that some of
17 the packages for upgrades 10, 12 years
18 from now will be available without
19 significant investments. I just can't
20 imagine that for 30 years, or however
21 many years it's been, that we have not
22 changed our telephone communication
23 system. I'm not saying that Verizon is
24 not the answer to the problem. I'm just
25 saying that it seems as though status quo

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2 is just the way it is, and I can't
3 imagine that we haven't grown in all
4 these years. And I know that you've just
5 inherited the telephone end of the
6 business, so you didn't have your hands
7 on that, and I know the technology guys
8 look at telephones differently than the
9 telephone people used to years ago.

10 So is there any plan, is there
11 any money going to be budgeted to maybe
12 move One Parkway or move another City
13 facility away from these dinosaurs that
14 we have?

15 MS. JAMES: I'll try to answer
16 the first part. I think, yes. To your
17 point, we are looking at what we can do
18 to kind of move us away from the current
19 solution that we have. I think there's a
20 couple things that have evolved like
21 anything else. Technology has evolved
22 and it's been talked about in the past,
23 but I think we're at the point now where
24 the technology has evolved that we
25 actually do have the convergence of

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2 telephony and data communications as one
3 solution as opposed to looked at them as
4 two different types of platforms. And I
5 think that's the effort that we have
6 underway now in our plans, is to look at
7 voice as a service, not as an end
8 solution. And hopefully there's
9 providers out there who look at the
10 opportunity in that manner, and hopefully
11 we craft it in that manner that they will
12 see that even the investment of switching
13 equipment that's necessary can be bundled
14 into an overall solution that can use the
15 infrastructure that's available and the
16 technology to provide us the
17 state-of-the-art. Just like you said,
18 caller ID is assumed by most people to be
19 what you automatically get, and today
20 that's not the case. It's like you -- I
21 think you've been asking since I've been
22 around of having the light light on the
23 phone when you got a message. Well, I
24 think Tommy has talked about with unified
25 communications, you don't have to worry

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2 about the light because you will have it
3 all in your inbox, and hopefully we will
4 get there in this new proposal that we're
5 looking to put out.

6 COUNCILMAN RIZZO: You have a
7 good memory. See, I have my red light
8 here.

9 MR. JAMES: I know you do.

10 COUNCILMAN RIZZO: And I
11 appreciate that, but I think I hear you
12 talking about voice over IP. You can't
13 have voice over IP with the
14 infrastructure that we have now. It just
15 wouldn't support it.

16 MR. JONES: Yes.

17 COUNCILMAN RIZZO: But that's
18 where we should be heading, to use one
19 technology to do a lot of things. And
20 our budget would significantly, am I
21 right, decrease in the area of voice if
22 in fact we used voice over IP? And I
23 think we've been talking about it --
24 what's the name of the company that we
25 initially hooked up with to do the voice

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2 over IP project? You have the phone on
3 the --

4 MR. JAMES: We use the Nortel
5 and SISCO.

6 COUNCILMAN RIZZO: Exactly. So
7 that's five years ago we started that
8 project, and I don't think it's any
9 further along than it was five years ago.

10 MR. JONES: But, Councilman
11 Rizzo, I'm glad you brought that up, just
12 quickly, because you're right. Part of
13 the reason that -- part of what we
14 struggle with is the simple fact that our
15 current infrastructure won't support some
16 of these things. That's why some of the
17 savings that were projected weren't
18 realized, because the infrastructure
19 wouldn't yet support it.

20 But we are aggressively trying
21 to make sure that that's not what we say
22 next year when we're sitting at this
23 table. We are looking at whether or not
24 it's equipment, whether it's a managed
25 service, whether it's a cloud offering.

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2 There are lots of offerings on the table
3 where we should be able to take advantage
4 of, and that's what the team is really
5 focused on, besides the day-to-day
6 firefighting of everything that happens.
7 It's trying to get that done. And we are
8 moving in the right direction. None of
9 us are moving as fast as we want to, but
10 we're moving there, and we're moving at a
11 steady pace now that we see it as some of
12 the underlying issues that we had to
13 address, and you brought one up. So
14 thank you.

15 COUNCILMAN RIZZO: And I think
16 I'm one member that appreciates all of
17 your good work, because just maintaining
18 what we have is a big responsibility, and
19 I know that we will do better in the
20 future and save some money at the end of
21 the day.

22 MR. JONES: Thank you.

23 COUNCILMAN RIZZO: Thank you.

24 Thank you, Madam Chair.

25 COUNCIL PRESIDENT VERNA: Thank

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2 you.

3 Are there any other questions
4 from members of the Committee?

5 (No response.)

6 COUNCIL PRESIDENT VERNA:

7 Seeing no one, gentlemen, thank you very
8 much. I think you're doing an
9 outstanding job. Thank you.

10 MR. JONES: Thank you.

11 COUNCIL PRESIDENT VERNA: We
12 will now stand in recess until 1:30, at
13 which time the Procurement Department
14 will testify. Thank you.

15 (Short recess.)

16 COUNCIL PRESIDENT VERNA: The
17 Committee of the Whole is now back in
18 session. I would ask the Procurement
19 Commissioner to please approach the
20 witness table.

21 (Witnesses approached witness
22 table.)

23 COUNCIL PRESIDENT VERNA: Good
24 afternoon. Thank you for your patience.
25 Kindly identify yourself for the record

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2 and proceed with your testimony.

3 DEPUTY COMMISSIONER STITT: My
4 name is Mary Stitt, Deputy Commissioner
5 of Procurement.

6 COMMISSIONER ORTMAN: My name
7 is Hugh Ortman, Procurement Commissioner.

8 Good afternoon, Council
9 President --

10 COUNCIL PRESIDENT Verna: Good
11 afternoon.

12 COMMISSIONER ORTMAN: I'm
13 sorry?

14 COUNCIL PRESIDENT Verna: I
15 said good afternoon.

16 COMMISSIONER ORTMAN: Good
17 afternoon. I have some echoing in my
18 ears.

19 Good afternoon, Council
20 President Verna and members of City
21 Council. I am Hugh Ortman, Commissioner
22 of the Procurement Department. With me
23 today is Deputy Commissioner Mary E.
24 Stitt. We are presenting for your
25 consideration the Procurement

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2 Department's Fiscal Year 2012 budget
3 request.

4 The Procurement Department is
5 requesting a total appropriation for all
6 funds of \$4,370,602, of which 4,151,574
7 is in the General Fund. The General Fund
8 budget for Fiscal Year 2012 provides
9 2,236,000 for Class 100 payroll expenses
10 supporting 49 positions, 1,866,000 for
11 Class 200 purchase of services and 49,000
12 for Class 300 and 400 supplies and
13 equipment. This budget is the same as
14 the Fiscal Year 2011 projected
15 obligations of 4,370,000, except for an
16 internal transfer of \$100,000 from Class
17 100 to 200 to cover advertising costs.

18 The Grants Revenue budget provides
19 \$150,000 for Class 200 purchase of
20 services, and the Water Fund budget
21 provides \$69,000 for Class 100 payroll
22 expenses for two employees.

23 The Procurement Department
24 reflects the diversity of Philadelphia.
25 Of the current count of 46 employees, 26

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2 are minorities, 36 are women.

3 The mission of the Procurement
4 Department is to obtain quality goods,
5 services and construction in a timely,
6 cost-effective and professional manner
7 through a competitive, fair and socially
8 responsible process in accordance with
9 the law. The FY12 General Fund budget
10 request should provide the resources
11 necessary to accomplish this mission.

12 To that end, with the
13 Department's mission in mind, the
14 Procurement Department has undertaken a
15 number of initiatives during the current
16 fiscal year. These include, but are not
17 limited to, the Department has acquired
18 an electronic purchase order imaging
19 system, which will result in less paper
20 being used and faster and easier
21 interface for the customer departments.
22 The Department is working in concert with
23 the Division of Technology to implement
24 this new system.

25 The Department has designed and

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2 will soon implement an electronic bid
3 announcement system, which will allow the
4 City to notify the vendor community via
5 e-mail when there are opportunities to
6 bid and will eventually allow the City to
7 do all of its communications with vendors
8 electronically.

9 The Department has completely
10 overhauled its vendor database to
11 accurately reflect the contact
12 information and business status for every
13 vendor in Procurement's ADPICS and SPEED
14 databases.

15 The Department has consolidated
16 its physical office space which has
17 reduced its footprint by 25 percent. We
18 have turned over 18 existing cubicles and
19 two offices to the Department of Public
20 Property so that the City can bring in
21 other workers to the MSB, save rent and
22 energy costs and make the City just a bit
23 greener.

24 Fourteen Department staff
25 members that have direct interaction with

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2 vendors and departments have completed
3 the 3-1-1 Customer Service Training
4 Academy.

5 Finally, and perhaps most
6 importantly, the citizens of Philadelphia
7 approved Charter changes in 2010 that
8 will allow the Procurement Department to
9 continue to innovate in a number of ways,
10 including competitive electronic
11 auctions, electronic execution of
12 contracts and the expansion of
13 cooperative purchasing.

14 We have continued to engage in
15 an active role alongside the Office of
16 Economic Opportunity to increase
17 participation of minority, women and
18 disabled-owned businesses in all City
19 contracts. The Procurement Department
20 works hand in hand with Angela
21 Dowd-Burton and her entire staff at OEO.
22 Biweekly meetings are held to discuss
23 just what each of us can do to assist
24 City departments in reaching the
25 Administration's current goal of 25

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2 percent participation, at a minimum.

3 OEO has launched a new
4 initiative called Doing Business With the
5 City, which is a series of workshops
6 aimed at all local companies, with an
7 extra focus on disadvantaged business
8 enterprises. These sessions are held
9 once a month and include presentations
10 from Procurement, Finance, the Commerce
11 Department, PIDC and others. Also,
12 Procurement urges OEO-certified vendors
13 to attend all pre-bid meetings so that
14 potential prime contractors can be
15 introduced to potential subcontractors.
16 Procurement, along with other City
17 departments, continues to attend various
18 outreach programs on both a local and
19 citywide basis. We have also
20 participated in several seminars produced
21 by the African American Chamber of
22 Commerce.

23 Through attrition and the
24 consolidation of various
25 responsibilities, the Department has

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2 reduced budgeted positions from 65 to 51
3 over the past four years. It should be
4 noted that in that same period, our
5 average processing time from requisition
6 to award has gone from more than 120 days
7 to less than 80 days.

8 The Procurement Department is
9 comprised of three divisions. The
10 Services, Supplies and Equipment Division
11 centrally purchases products and services
12 required by City departments to provide
13 their services to the public, monitors
14 the City's Class 300 inventory of
15 supplies, accounts for personal property
16 and disseminates bid information to the
17 public.

18 The Public Works Division
19 processes capital projects and concession
20 bids, administers the citywide
21 advertising program and coordinates the
22 inspection and disposal of City property.

23 The Executive Division provides
24 the leadership, management and direction
25 of the Procurement Department.

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2 The Services, Supplies and
3 Equipment Division issued 155 bids in
4 FY10, resulting in 270 contract awards
5 totalling \$69,590,000. These awards,
6 coupled with contract renewals, mean that
7 at any given time there are approximately
8 800 active Procurement contracts
9 available for use. Also in FY10, 961
10 small order purchases under \$30,000 were
11 also processed, totalling \$6,277,000. By
12 virtue of the solicitation process, the
13 majority of these awards are made to
14 OEO-certified vendors and other small
15 businesses.

16 In FY10, our Capital Programs
17 Unit processed 104 bids resulting in 101
18 contracts worth \$147,443. Of those, 35
19 were ARRA funded with total dollar value
20 of \$70,541,000.

21 In FY10, the Surplus Disposal
22 Unit contributed over \$1,308,000 to the
23 General Fund, including 1,095,000 from an
24 online auction contract for used vehicles
25 and equipment sales and \$213,000 from the

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2 direct sale of scrap metal.

3 The Department is also
4 responsible to certify local business
5 entities that may qualify for the five
6 percent bid preference on contract
7 awards. This effort is an incentive
8 meant to encourage local vendors to get
9 preference in bidding opportunities while
10 continuing to have a base of operations
11 within the City. The certification
12 process involves verification that
13 applicants indeed have a bona fide
14 location within the City of Philadelphia
15 and that all permits and taxes are
16 current.

17 The Procurement Inspections
18 Officer works closely with the using
19 departments and the Water Testing Lab to
20 ensure that all supplies and equipment
21 meet the specifications as required in
22 the awarded contracts. The PIO certifies
23 that materials meet specifications prior
24 to contract award and performs random
25 follow-up inspections throughout the

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2 contract term to verify product quality.

3 The PIO also inspects the premises of
4 applicants for local business entity bid
5 preference to determine the validity of
6 that location as a functioning local
7 office, as required by the LBE
8 regulations. Follow-up inspections are
9 performed periodically to ensure that
10 contractors continue to operate within
11 the City limits. Violators are reported
12 to the Inspector General for further
13 investigation. So far in FY11, two of
14 these cases have resulted in fines paid
15 to the City totalling \$289,000.

16 The Procurement Inventory Unit
17 collects inventory data from all
18 departments, issues tags for all 400
19 Class purchases, including vehicles and
20 equipment, and provides the Finance
21 Director with consolidated inventory
22 reports on an annual basis.

23 Madam President, this concludes
24 my testimony. I will be glad to answer
25 any questions you or other members of

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2 City Council may have regarding my
3 testimony.

4 COUNCIL PRESIDENT Verna: Thank
5 you, Commissioner.

6 On Page 1 of your testimony,
7 you mention you will be implementing an
8 electronic bid announcement system. Once
9 this is accomplished, will you be able to
10 reduce your advertising budget, and, if
11 so, by how much?

12 COMMISSIONER ORTMAN:

13 Unfortunately the answer to that is no,
14 because advertising is mandated by
15 legislation. We're required to advertise
16 two consecutive weeks in one of the top
17 three circulating newspapers in the City.
18 And our advertising budget itself is
19 really only about \$120,000. The rest of
20 our budget, we pay for any mandated
21 advertising throughout the City. We pay
22 for that out of our budget.

23 COUNCIL PRESIDENT Verna: What
24 does that cost?

25 COMMISSIONER ORTMAN: Excuse

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2 me?

3 COUNCIL PRESIDENT Verna: What
4 does that cost?

5 COMMISSIONER ORTMAN: I'll tell
6 you exactly. It's in the neighborhood of
7 \$2 million, but I've got to locate that.

8 COUNCILMAN RIZZO: Madam
9 President?

10 COUNCIL PRESIDENT Verna: Yes,
11 sir.

12 COMMISSIONER ORTMAN: We pay
13 for mandated advertising in the
14 department --

15 COUNCIL PRESIDENT Verna:
16 Excuse me, Commissioner.

17 COUNCILMAN RIZZO: I just want
18 to back you up on something that you just
19 said when it's appropriate.

20 COUNCIL PRESIDENT Verna: Very
21 well.

22 Commissioner, do you want to
23 respond to my question.

24 COMMISSIONER ORTMAN: Yes. The
25 advertising for the City as well as for

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2 Procurement comes to \$1,744,000. That's
3 projected for 2012. We also pay for
4 election advertisings, things such as
5 that, sheriff sales.

6 COUNCIL PRESIDENT VERNA:

7 Commissioner Rizzo -- I made you a
8 Commissioner. Councilman Rizzo.

9 COUNCILMAN RIZZO: Madam Chair,

10 I believe what you said is a very
11 important point that we have to follow up
12 on. As we modernize our work practices,
13 we need to modernize our legislation.

14 And I think that you guys have
15 a responsibility that if there's an
16 obstacle in legislation, that you need to
17 come to us and say, We need to change
18 this legislation, so you can save the
19 City money.

20 So what I would hope you would
21 do -- and I think the President broke the
22 code there -- is that you need to
23 modernize the legislation that requires
24 you to spend money in areas that may not
25 necessarily -- I'm not saying it's going

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2 to go away, sheriff sales, but I think
3 you could start to reduce the advertising
4 costs.

5 COMMISSIONER ORTMAN: And I
6 agree with you completely and I'd love to
7 reduce advertising costs. The only ones
8 I'll be able to reduce would be the
9 Procurement advertising-mandated costs,
10 because most of the others -- excuse me.
11 I'll back up. Our costs are mandated by
12 City Charter.

13 COUNCIL PRESIDENT Verna: I was
14 going to say --

15 COMMISSIONER ORTMAN: Sheriff
16 sales -- I'm sorry, Madam President.

17 COUNCIL PRESIDENT Verna: I was
18 going to ask that question. Would we
19 need a City Charter change?

20 COMMISSIONER ORTMAN: Yes.
21 That's just for the Procurement
22 advertising.

23 COUNCIL PRESIDENT Verna: And
24 we did one; did we not? Didn't we do a
25 City Charter change?

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2 COUNCILWOMAN TASC0: We did a
3 Charter change.

4 COMMISSIONER ORTMAN:
5 Councilman Clarke introduced a bill a
6 couple years ago.

7 COUNCIL PRESIDENT VERNA: And?

8 COMMISSIONER ORTMAN: His bill
9 was mainly introduced to in case the City
10 newspapers were on strike. We would love
11 to reword that to include our advertising
12 so we wouldn't have to do that. We
13 believe we can. We haven't gotten to
14 that point yet.

15 COUNCIL PRESIDENT VERNA: I am
16 told that that City Charter change was
17 done.

18 COMMISSIONER ORTMAN: Yes.

19 (Witness approached witness
20 table.)

21 MS. RHYNHART: There was --
22 Rebecca Rynhart, Budget Director. There
23 was a Charter change done. I think there
24 would need to be, I think, an ordinance
25 or a follow-up ordinance to actually

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2 change the requirements, the advertising
3 requirements, to make it cheaper. So I
4 think that if Council is amenable to
5 that, that's something that we'd probably
6 want to work with you on to be able to
7 save money there.

8 COUNCIL PRESIDENT VERNA: Well,
9 I think the Administration and Council
10 should be working on that, because we're
11 talking about \$1,749,000.

12 COMMISSIONER ORTMAN:
13 Unfortunately, Madam President, most of
14 the advertising for campaigns for the
15 vice-presidential -- whatever elections
16 we're having are mandated by federal and
17 state laws, and also sheriff sales.

18 COUNCIL PRESIDENT VERNA: But
19 isn't City advertising by local
20 ordinances?

21 COMMISSIONER ORTMAN: Some of
22 it is; some of it isn't, correct. Most
23 Commission meetings, I believe, are
24 handled -- can be changed. But the ones
25 covered by the federal and state statutes

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2 we can't change. And that is probably
3 the bulk of our advertising, to be quite
4 honest. It's all the elections every
5 four years, the two elections. It all
6 has to be advertised. The polling places
7 have to be advertised, sheriff sales --
8 there's a state law about that -- has to
9 be advertised, at a minimum, the Legal
10 Intelligencer, as well as other
11 newspapers, what other top three
12 circulation, I believe.

13 So there's a lot more to it. I
14 mean, I've been on a crusade to try and
15 reduce advertising over the last couple
16 years by only allowing departments to
17 submit mandated advertising to us, but
18 there's some they do on their own that's
19 not our budget.

20 COUNCIL PRESIDENT Verna: The
21 Chair recognizes Councilwoman Tasco.

22 COUNCILWOMAN TAsco: So are you
23 saying that the sheriff sales and
24 whatever sales are mandatory by the
25 state?

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2 COMMISSIONER ORTMAN: The
3 advertising, yes. It has to be in the
4 legal newspaper in each location.

5 COUNCILWOMAN TASC0: So they
6 have to be in the legal paper?

7 COMMISSIONER ORTMAN: Say that
8 one more time. I'm losing you here.

9 COUNCILWOMAN TASC0: I'm sorry.
10 So you have to put those in the Legal
11 Intelligencer?

12 COMMISSIONER ORTMAN: Yes. And
13 I believe, since I don't place them
14 directly, I believe it's also one of the
15 larger three circulated newspapers.

16 COUNCILWOMAN TASC0: So one of
17 the larger three circulated papers and --

18 COMMISSIONER ORTMAN: And the
19 Legal Intelligencer. And the state says
20 it has to be done in every locale in the
21 state.

22 COUNCILWOMAN TASC0: So at
23 least one major paper that's circulated
24 every day and the Legal Intelligencer.
25 It doesn't have to be two major papers?

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2 DEPUTY COMMISSIONER STITT: No.

3 COMMISSIONER ORTMAN: Yes,
4 okay.

5 COUNCILWOMAN TASCO: Okay.

6 COUNCIL PRESIDENT VERNA: I
7 think that's something that we and the
8 Administration should be looking at.
9 You're going to follow through on that,
10 Dear?

11 MS. RHYNHART: I will, yes.

12 COUNCIL PRESIDENT VERNA: Thank
13 you.

14 Will the Administration be
15 submitting an ordinance to City
16 Council -- I was going to say, will we be
17 getting an ordinance and when will we get
18 it regarding the advertising procedures?

19 MS. RHYNHART: I think that's
20 something we need to talk about
21 internally and then -- I don't have -- I
22 don't know all the details of that. So
23 we'll talk internally, but, again, if
24 there's a way here to save some money,
25 it's something we definitely want to do.

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2 So we'll be in touch with you shortly
3 about it.

4 COUNCIL PRESIDENT Verna: Thank
5 you.

6 MS. RYHNHART: Sure.

7 COUNCIL PRESIDENT Verna:
8 Commissioner, on Page 15 of your budget,
9 you are requesting \$80,000 for online
10 auction of surplus vehicles and
11 equipment. Why isn't this in the Fleet
12 Management budget?

13 COMMISSIONER ORTMAN: Because
14 there's much more than just vehicles that
15 are auctioned. It's an auction for
16 anything we might have. The only thing
17 we do separately is scrap metal. It
18 could be regular -- whatever we have
19 that --

20 COUNCIL PRESIDENT Verna: Give
21 us an example, please.

22 COMMISSIONER ORTMAN: Desks,
23 huge desks, that people have no use of
24 anymore. Unless we can get them to a
25 department, we will do it ourselves.

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2 COUNCIL PRESIDENT Verna:

3 Councilman Jones, there's your desk.

4 COMMISSIONER ORTMAN: Well, the
5 auto auctions provided for 1,063,000.
6 Non-auto was \$31,956. So there are other
7 things besides just vehicles that are
8 auctioned. Aluminum poles was one from
9 the Streets Department. I just don't
10 recall the others because I don't do the
11 actual auctions.

12 COUNCIL PRESIDENT Verna: Very
13 well. On Page 20 of your detail, you are
14 requesting \$150,000 for Chartwell
15 Advisory Group. This represents a 35
16 percent commission on all refunds
17 received from the state. Can you explain
18 what this is and how are refunds included
19 in the revenue estimates?

20 COMMISSIONER ORTMAN: The
21 refunds are -- when we do get the
22 refunds, they go right to the General
23 Fund. But what they consist of -- it's
24 for public works contracts. Probably 99
25 percent of it is public works contracts.

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2 The state -- the City -- I'm sorry. The
3 sales tax, the state sales tax code is
4 very, very complicated and it's
5 impossible for vendors or contractors,
6 since they're buying so much stuff at
7 once, to say this is taxable, this is
8 not. So they pay the tax. We in turn
9 pay them the tax, because we don't know
10 what it is either, it's so complicated.
11 And then we go back to the state to get
12 it.

13 To give you an idea of how
14 complicated -- and I believe I said this
15 last year. A six-inch nail would
16 probably be taxable. A two-inch nail
17 would not be taxable. It's that crazy.
18 And this is why this company actually
19 exists and goes out and spends time,
20 spend days going over contractors' books
21 in order to come up -- they want their 35
22 percent. Of course, we want our 65
23 percent. But they go out and they really
24 do look for it. I've had vendors call
25 and say, Look, we have our own people to

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2 do this. I said, No, our guy wants to do
3 it. And they'll find \$20,000, \$30,000
4 even though these guys are saying there's
5 no way this could happen.

6 COUNCIL PRESIDENT VERNA: Very
7 interesting.

8 Where is that in the revenue
9 estimates? What page would that be?

10 COMMISSIONER ORTMAN: I don't
11 know there's an estimate, because you
12 never know from one year to the next
13 what's going to happen. As a matter of
14 fact, Harrisburg --

15 COUNCIL PRESIDENT VERNA: We
16 have to have something. I'm sure the
17 revenue estimates are not zero.

18 COMMISSIONER ORTMAN: Well,
19 unless the state starts paying us some of
20 the taxes they owe us, it may be zero,
21 because they're not paying money right
22 now. That's part because of their budget
23 situation. We have a lot of money
24 hanging up in Harrisburg that we paid in
25 previous years that we're not able to

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2 collect it right now. Last check we got
3 from Chartwell --

4 COUNCIL PRESIDENT Verna: How
5 much does the state owe?

6 COMMISSIONER ORTMAN: Excuse
7 me?

8 COUNCIL PRESIDENT Verna: How
9 much does the state owe us?

10 COMMISSIONER ORTMAN: Hold on
11 and I'll try to find out for you.

12 MS. RHYNHART: I was just told
13 that the money actually comes into the
14 Grants Fund, because it was expended out
15 of the Grants Fund, not into the General
16 Fund, because it was expended out of the
17 Grants.

18 COUNCIL PRESIDENT Verna: I
19 thought 35 percent went to the Grants
20 Fund.

21 MS. RHYNHART: I think 35
22 percent is the fee that we pay.

23 Right, Hugh?

24 DEPUTY COMMISSIONER STITT:
25 Yes.

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2 MS. RHYNHART: The commission
3 is 35 percent.

4 COUNCIL PRESIDENT VERNA: But
5 isn't that the only part that would go to
6 the Grants Fund?

7 MS. RHYNHART: The 35 percent
8 is their commission. So that would get
9 paid to them. So that 35 percent goes to
10 them, and then the rest of the -- oh,
11 you're saying the equivalent of the 35
12 percent would come to the Grants and the
13 rest would come to the General Fund? I'd
14 have to check on it. If you're
15 interested, I can figure out where it
16 would be in the General Fund, sure.

17 COUNCIL PRESIDENT VERNA: Thank
18 you.

19 MS. RHYNHART: I can do that.

20 COMMISSIONER ORTMAN: We did
21 ask Chartwell for this information that
22 you just requested last week, and we
23 haven't gotten it yet. We do know that
24 there is a minimum sitting in Harrisburg
25 from invoicing --

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2 COUNCIL PRESIDENT Verna:

3 Excuse me, Commissioner.

4 Mr. Donatucci, please don't
5 leave the room. I want to see you. Your
6 budget is coming up soon.

7 COMMISSIONER ORTMAN: There are
8 refunds that have been hanging up in
9 Harrisburg not approved yet that were
10 submitted last year totalling somewhere
11 in the vicinity of \$200,000. But I'd
12 have to talk -- we specifically asked
13 that one question from Chartwell last
14 week, and they have not gotten back to
15 us, but I will get you that information
16 and submit it to you.

17 COUNCIL PRESIDENT Verna: Thank
18 you so much.

19 The Chair recognizes Councilman
20 Goode.

21 COUNCILMAN GOODE: Thank you,
22 Madam President.

23 Good afternoon, Mr. Ortman and
24 Ms. Stitt.

25 Mr. Ortman, the Procurement

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2 Department handles all citywide
3 contracts; is that correct?

4 COMMISSIONER ORTMAN: We
5 process all citywide contracts, yes.

6 COUNCILMAN GOODE: And that's
7 not reflected in your budget, but it's
8 reflected in the budgets of all the
9 departments?

10 COMMISSIONER ORTMAN: The
11 expenditures are reflected in the budgets
12 of all departments, yes.

13 COUNCILMAN GOODE: In terms of
14 citywide contracts, can you tell me what
15 is the largest contract you anticipate
16 for Fiscal Year '12?

17 COMMISSIONER ORTMAN: I have
18 the contracts that are currently in
19 place. For FY12, I'd have to run through
20 each one individually to see which
21 contracts are expiring in FY12 and then
22 see what the value that we spent over the
23 last four years.

24 COUNCILMAN GOODE: What is the
25 largest contract for this fiscal year?

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2 COMMISSIONER ORTMAN: Currently
3 in place would probably be -- well,
4 there's actually a group of contracts for
5 water chemicals, treatment of water. It
6 probably totals 20-some million dollars,
7 but that's a group of contracts because
8 it's like eight or ten different vendors.
9 Individual contract would probably be
10 Elliot-Lewis at the Airport.

11 COUNCILMAN GOODE: You said the
12 next one -- I'm sorry.

13 COMMISSIONER ORTMAN: That's
14 going up -- that will be going out very
15 shortly.

16 DEPUTY COMMISSIONER STITT:
17 Elliot-Lewis at the Airport, the FMC,
18 Facilities Maintenance Contracts.

19 COUNCILMAN GOODE: Okay. For
20 both of those contracts, are they
21 renewable contracts?

22 COMMISSIONER ORTMAN: Yes, but
23 the Elliot-Lewis one should be going out
24 shortly for rebid.

25 COUNCILMAN GOODE: When was

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2 that last bid?

3 COMMISSIONER ORTMAN: Last bid
4 was in 2007.

5 COUNCILMAN GOODE: So how many
6 years has the firm held that contract?

7 COMMISSIONER ORTMAN: Well, it
8 just got extended for another three
9 months, but it's been four years.

10 COUNCILMAN GOODE: And that is
11 not a certified disadvantaged business.

12 COMMISSIONER ORTMAN: No, it's
13 not, but they do have 29 percent
14 participation.

15 COUNCILMAN GOODE: I'm getting
16 there.

17 COMMISSIONER ORTMAN: Oh, I'm
18 sorry.

19 COUNCILMAN GOODE: Does the
20 firm subcontract with disadvantaged
21 businesses?

22 COMMISSIONER ORTMAN: Say it
23 again, please.

24 COUNCILMAN GOODE: Does the
25 firm subcontract with disadvantaged

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2 businesses?

3 COMMISSIONER ORTMAN: Yes.

4 COUNCILMAN GOODE: What was the
5 DBE participation goal in the last RFP?

6 COMMISSIONER ORTMAN: I don't
7 have -- the goal is actually best
8 efforts, but they came up with 29 percent
9 in their actual -- in their bid.

10 COUNCILMAN GOODE: Why was the
11 goal best efforts?

12 COMMISSIONER ORTMAN: I don't
13 know the answer to that question. I
14 would have to ask OEO and see what they
15 set the goals for. I'm assuming -- well,
16 I don't know the answer to that question.

17 COUNCILMAN GOODE: Okay.
18 Briefly describe the contract
19 requirements.

20 COMMISSIONER ORTMAN: For the
21 Airport?

22 COUNCILMAN GOODE: For the
23 Elliot-Lewis contract.

24 COMMISSIONER ORTMAN: It's
25 huge. Well, the contract itself was

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2 about that thick. It's baggage claim,
3 there's -- it's basically all the stuff
4 on the outside of the tarmac as far as
5 management, cleaning, repairing, window
6 washing, whatever it may be.

7 COUNCILMAN GOODE: So you don't
8 know what goals were in the -- you said
9 the goals in the RFP were best efforts.
10 Do you know what goals were actually in
11 the contract? Were there goals in the
12 actual contract?

13 COMMISSIONER ORTMAN:
14 Twenty-nine percent.

15 COUNCILMAN GOODE: That's what
16 Elliot-Lewis came up with. That's what's
17 in the actual contract?

18 DEPUTY COMMISSIONER STITT:
19 Right.

20 COMMISSIONER ORTMAN: I know
21 that was in their original bid. What was
22 actually in the negotiated contract, I
23 don't know the answer to that. I'm going
24 to assume it was the same, but I can't
25 say it's for sure.

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2 COUNCILMAN GOODE: Has anyone
3 beyond Elliot-Lewis identified what
4 subcontract opportunities exist in the
5 contract?

6 COMMISSIONER ORTMAN: For this
7 contract, for the new one coming up?

8 COUNCILMAN GOODE: This
9 particular contract.

10 COMMISSIONER ORTMAN: Well,
11 Elliot-Lewis is the one that would go out
12 and find them. I'm not sure what you
13 mean by that question. Once a contractor
14 is in place, we wouldn't go out and
15 solicit more people. That would be up to
16 OEO and Elliot-Lewis.

17 COUNCILMAN GOODE: Let me
18 reword it. Has anyone identified what
19 subcontract opportunities are going to be
20 in the RFP?

21 COMMISSIONER ORTMAN: In the
22 new RFP?

23 COUNCILMAN GOODE: In the new
24 RFP.

25 COMMISSIONER ORTMAN: I haven't

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2 seen the new RFP.

3 COUNCILMAN GOODE: Who would
4 know --

5 DEPUTY COMMISSIONER STITT:
6 They would be similar to -- they're going
7 to be similar to the previous contract,
8 but of course --

9 COUNCILMAN GOODE: But the
10 previous RFP said best-faith efforts.

11 DEPUTY COMMISSIONER STITT: I
12 don't know what the participation range
13 is going to be.

14 COUNCILMAN GOODE: How big is
15 this contract?

16 COMMISSIONER ORTMAN: It's 13
17 million.

18 COUNCILMAN GOODE: It's \$13
19 million?

20 COMMISSIONER ORTMAN: Yes.

21 COUNCILMAN GOODE: And we don't
22 know what the subcontract opportunity is
23 going to be within the RFP?

24 COMMISSIONER ORTMAN: They are
25 still -- hold on a second.

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2 (Witness approached witness
3 table.)

4 MS. DOWD-BURTON: Good
5 afternoon. My name is Angela
6 Dowd-Burton. I'm Executive Director of
7 the Office of Economic Opportunity.
8 Councilman, without having the
9 documents right in front of me, I can't
10 be specific, but I will tell you in
11 general what we will do is look at the
12 subcontracting activity on the current
13 contract and, at a minimum, indicate
14 these are the options for any of the
15 companies responding to the request for
16 proposal to use these kinds of services
17 to subcontract out for.

18 COUNCILMAN GOODE: Okay. I
19 understand that, and as you're aware,
20 every department that comes up, I'm going
21 to ask them what their largest contract
22 is.

23 MS. DOWD-BURTON: Absolutely.

24 COUNCILMAN GOODE: I'm going to
25 ask the same series of questions and get

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2 down to what the actual contracting
3 process is. And so what I'm going to
4 need in terms of response, whether it's
5 from Procurement or whether it's from
6 OEO, is, particularly since there's a new
7 RFP going out, what subcontract
8 opportunities are identified within that
9 RFP and what percentage of contract
10 dollars does that represent. I'm
11 actually not as concerned with or only
12 concerned or solely concerned with the
13 percentage of contract dollars. I'm more
14 concerned about process in terms of how
15 far we're digging in terms of
16 subcontracting opportunities. And so I
17 think the best way to go through this
18 process with all departments is to look
19 at the largest contract that they handle
20 and actually see what their process
21 actually is.

22 MS. DOWD-BURTON: Right.

23 COUNCILMAN GOODE: So whoever
24 is going to forward that information,
25 will you please forward that information

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2 through the Chair.

3 I'll move on in terms of
4 contracts. In terms -- actually, still
5 with the Elliot-Lewis contract. Is that
6 firm currently in compliance with the
7 City's living wage and benefits standard?

8 COMMISSIONER ORTMAN: I don't
9 know the answer to that question.

10 COUNCILMAN GOODE: Will the
11 firm be required to be in compliance for
12 Fiscal Year '12?

13 COMMISSIONER ORTMAN: Yes.

14 COUNCILMAN GOODE: And who is
15 directly responsible for monitoring wage
16 and benefits standards for your
17 department's contractors?

18 COMMISSIONER ORTMAN: That
19 would be Labor Standards.

20 COUNCILMAN GOODE: Lastly,
21 since we've gotten to this discussion of
22 renewable contracts and being at
23 different stages, of course there may be
24 some efficiencies to having the same
25 vendor in place for multiple years. In

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2 some cases, it may not be cost efficient,
3 because you might get a lower bid at some
4 point if you rebid it. I'm not going to
5 get into that. I'm going to leave some
6 of that up to you. What I will say is
7 two things. One, we need to be concerned
8 about cost efficiency and cost savings
9 and whether these are actually
10 competitive processes or not, but, more
11 importantly, what I'm concerned about is
12 as we move forward and take this
13 seriously is, if these are renewable
14 contracts and the firms do not meet their
15 goals within the first year, I'm very
16 concerned with what we're doing on a
17 year-to-year basis. It appears to me
18 that when someone thinks they're
19 guaranteed a renewal, they believe that
20 they have to perform to the same standard
21 they performed in that current year, and
22 they're probably not going to dig for
23 more subcontracting opportunities. So if
24 you don't get it right in your RFP and
25 you don't get it right in the contract,

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2 there's probably not a chance you're
3 going to get it right in the series of
4 renewals. That's one mayoral term gone
5 and that's another mayoral term gone, and
6 that's why things don't change.

7 And so the question is, of all
8 the contracts that exist, citywide
9 contracts and contracts by department, I
10 would like to know the percentage of
11 contracts that are renewable contracts,
12 if you can forward that information
13 through the Chair.

14 COMMISSIONER ORTMAN: I will
15 get that information, sir.

16 COUNCILMAN GOODE: Thank you,
17 Madam Chair.

18 COUNCILWOMAN TASC0: Thank you
19 very much.

20 The Chair recognizes Councilman
21 Jones.

22 COUNCILMAN JONES: Thank you,
23 Madam Chair.

24 Good afternoon.

25 COMMISSIONER ORTMAN:

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2 Afternoon.

3 COUNCILMAN JONES: In previous
4 testimony, the Department of Technology
5 talked about a quantitative analysis.
6 That is something near and dear to my
7 heart, which is called for in Resolution
8 No. 100848. And probably the time you
9 spend in Chambers you've heard about
10 that. It is to take a look at and look
11 at the effectiveness, efficiency and cost
12 effectiveness of contracting out versus
13 doing work internally.

14 To what degree, similar to the
15 Department of Technology, do other
16 departments provide that analysis, and if
17 they don't, in what cases does the
18 Procurement Department?

19 COMMISSIONER ORTMAN: I don't
20 know for sure what the other departments
21 do before they submit their requisitions
22 to us. I can almost bet that OFM does
23 it, but that will only be conjecture.
24 And I don't know specifically what
25 happens with the departments prior to

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2 them submitting their requisitions to us
3 in order to get their new contract in
4 place.

5 COUNCILMAN JONES: Let me, as
6 my colleague would say, rephrase it
7 differently.

8 On what occasion would you have
9 reason to look at a contract and say
10 that, I know that the cost of this pencil
11 is way out of line and that we probably
12 don't need to contract it out and we
13 probably could do this internally? Do
14 you have reason to look at a potential
15 bid and say, Wait a minute, we could do
16 it cheaper this way? Do you do that?

17 COMMISSIONER ORTMAN: We have.
18 Mary has an excellent example with the
19 switches.

20 DEPUTY COMMISSIONER STITT:
21 Yes. There was a product called Juniper
22 switches that the Division of Technology
23 needed to purchase. They were hoping to
24 purchase it actually off of a state
25 contract, but we did have enough time to

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2 put it out for a City bid. Many times
3 people assume that the state pricing is
4 going to be better than the City pricing,
5 but the City pricing does -- we do have
6 very large purchasing power.

7 So we moved it quickly, got it
8 out there and got a lower price for the
9 Juniper switches. Not only did we get a
10 lower price from competitive vendors, but
11 we got a lower price from the vendor who
12 had the contract with the state.

13 So there are times when we stop
14 and we say, if we certainly have enough
15 time -- we always prefer to put any kind
16 of service or supplies out to bid before
17 we piggyback off of another contract,
18 even though piggybacking can be also cost
19 savings.

20 However, when it comes to your
21 question specifically about can we do it
22 in-house, we would have to rely on the
23 expertise of the department. I can't say
24 whether DOT can go fix video surveillance
25 cameras. They would have to tell me that

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2 or if they need to contract it out.

3 COUNCILMAN JONES: I would go
4 to the field of construction. Supplies,
5 service and equipment is one level of
6 scrutiny of contracts that go out.
7 Professional services might be another,
8 but one that clearly pops out to me is
9 construction. We have a number of
10 recreation centers in my district, the
11 difference between us looking at
12 renovating or fixing a roof or fixing a
13 restroom for one of our recreation
14 centers.

15 What type of system, check and
16 balance system, could we put in place
17 with this type of legislation to say have
18 you looked at whether or not you have the
19 available workforce internally? And we
20 can go up to everything as big as snow
21 removal and say, Can we get the Streets
22 Department and the Water Department
23 because of the types of vehicles that
24 they have, if they are in our inventory,
25 is it cheaper to kind of do it in-house

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2 versus -- and recognizing the expense of
3 possible overtime versus contracting out.
4 Is that type of system of analysis in
5 place?

6 DEPUTY COMMISSIONER STITT:

7 We've recently started talking with the
8 Managing Director's Office about doing
9 cost analysis. We would have to work
10 with a working group more than likely,
11 because, once again, we would need the
12 Streets Department's expertise and
13 whether or not they have the capacity to
14 take care of snowplowing. If they do
15 indeed have the equipment, do they have
16 enough of the equipment, would overtime
17 put us over what we could contract out,
18 and then also always making sure that we
19 look at benefits, because that would have
20 to come into the analogy.

21 COUNCILMAN JONES: And this is
22 not an attempt to micro manage. I want
23 to say that clearly, but it is in these
24 tough economic times, in these budget
25 times that when we're talking about

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2 whether or not brownouts are a preferred
3 option to other things, we have to look
4 at where we can find savings. And we do
5 how much a year in Procurement?

6 DEPUTY COMMISSIONER STITT:

7 Through the Procurement Department
8 through construction and through -- I'm
9 sorry; services, supplies and equipment,
10 I believe it's around 400 million, around
11 that. Professional services is much
12 larger than what comes through the
13 Procurement Department.

14 COUNCILMAN JONES: So if you
15 look at both of those together, are we at
16 a billion?

17 DEPUTY COMMISSIONER STITT: I'm
18 sorry?

19 COUNCILMAN JONES: Are we at a
20 billion dollars worth of purchasing in
21 construction, supplies, services and
22 equipment?

23 DEPUTY COMMISSIONER STITT: No,
24 we're not at a billion, Councilman.

25 COUNCILMAN JONES: And

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2 professional services?

3 DEPUTY COMMISSIONER STITT:

4 Professional services, I would say yes.

5 COUNCILMAN JONES: I mean, all

6 three together, would that be a billion

7 dollars?

8 DEPUTY COMMISSIONER STITT:

9 Definitely.

10 COUNCILMAN JONES: So that's

11 real money. We're talking about real

12 money. And if we do this, I do not want

13 for one second to slow down or be a boil

14 on the butt of progress, but I do want us

15 to kind of take a look at how we spend

16 our money. Your example of whether or

17 not it was cheaper to piggyback purchase

18 off of the state fleet and to find and

19 discover it was cheaper to go out on your

20 own is the kind of analysis that can --

21 those pennies and quarters in a jar

22 eventually add up.

23 DEPUTY COMMISSIONER STITT: And

24 we absolutely try to do that at every

25 opportunity, once again, but we do have

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2 to partnership with the departments.

3 COUNCILMAN JONES: We're giving
4 you a heads-up on Resolution No. 100848.
5 When we do have the hearings, we will
6 rely on your collective expertise to tell
7 us how we're doing it. What we're trying
8 to do is nudge you along to make us start
9 to do that instead of other things that
10 we can do to save money, and maybe in
11 those economies, we spare ourselves
12 future layoffs, future closures and
13 things like that. So this is a friendly
14 request to attempt to do that.

15 Under your local purchase --
16 I'm going to ask a question that probably
17 Councilman Goode would like to pursue,
18 but he has a birthday today and he's
19 getting older, so he may have forgotten
20 this part of it.

21 COUNCILMAN GOODE: It's Bill's
22 birthday.

23 COUNCILMAN JONES: Oh, it's
24 Bill's birthday. I'm sorry. Both Bills,
25 that's right.

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2 But what I'd like to ask is, on
3 contractors that violate, one of the big
4 issues I believe under Goode's
5 chairmanship of Commerce and Economic
6 Development, the question was raised last
7 year how many firms that were in
8 non-compliance or found to be
9 discriminatory were debarred. How many
10 firms this year, a year later, have been
11 debarred?

12 COMMISSIONER ORTMAN: None,
13 that I'm aware of.

14 COUNCILMAN JONES: So are --

15 COMMISSIONER ORTMAN: We would
16 default it under, if requested to, by OEO
17 and we are -- we have to investigate and
18 that kind of thing. But to my knowledge,
19 nobody has been debarred.

20 COUNCILMAN JONES: So should
21 this body believe that we've solved all
22 of the inclusion problems and that there
23 is no discrimination in the City of
24 Philadelphia and, in particular, its
25 procurement and all is well with the

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2 world?

3 COMMISSIONER ORTMAN: I would

4 say --

5 COUNCILMAN JONES: Don't answer

6 that.

7 COMMISSIONER ORTMAN: -- that

8 there are vendors that are out there that

9 aren't doing it correctly, but until it's

10 brought to our attention, I wouldn't know

11 about it.

12 COUNCILMAN JONES: So, again,

13 we have not debarred --

14 COMMISSIONER ORTMAN: No.

15 COUNCILMAN JONES: -- any

16 single contractor under this year's

17 fiscal year?

18 Thank you, Madam Chair.

19 COUNCILWOMAN TASC0: Thank you.

20 The Chair recognizes Councilman

21 Rizzo.

22 COUNCILMAN RIZZO:

23 Commissioner, how are you?

24 COMMISSIONER ORTMAN: Good,

25 sir. How are you?

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2 COUNCILMAN RIZZO: Could you
3 please review -- again, thanks for being
4 open to upgrading the legislation,
5 whether it's just legislation or Charter
6 change to make your shop -- your proof of
7 doing more with less, is that the
8 expression? You're fewer people, but
9 you're doing more. So that's a really
10 impressive accomplishment.

11 COMMISSIONER ORTMAN: Thank
12 you.

13 COUNCILMAN RIZZO: The question
14 that I have is the procurement cities
15 around the country's policies on buy
16 America. Could you tell me the
17 restrictions that you have in able to buy
18 products that aren't made in the United
19 States?

20 COMMISSIONER ORTMAN: The only
21 restriction I'm aware of -- and I haven't
22 looked at it for some time -- has to do
23 with buying vehicles, and I think and you
24 I discussed this in the past. It has to
25 do with the Mexican-Canadian agreement.

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2 I forget what it's called.

3 COUNCILMAN RIZZO: North
4 American Trade?

5 COMMISSIONER ORTMAN: Yes.

6 COUNCILMAN RIZZO: But I think
7 we're buying now from Mexico.

8 COMMISSIONER ORTMAN: I think
9 we've worked that out, but I don't know
10 of any other examples that I can think
11 of.

12 COUNCILMAN RIZZO: The example
13 is that there's going to be a problem
14 down the road, from what I understand.
15 You know that the Police Department fleet
16 used to have the Ford Crown Victoria, and
17 now that car has gone away, but there'll
18 be eventually a product that Ford will
19 have to replace it, but it's not yet
20 available. If that's the case, how did
21 we buy these Priuses that are made in
22 Japan?

23 COMMISSIONER ORTMAN: I have to
24 go back and look at that. I don't know.

25 COUNCILMAN RIZZO: Well, we

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2 have. We very -- Health Department has
3 got a bunch of them.

4 My point is that Chevrolet is
5 going to be building a new police car.
6 It's called a Caprice. It was a name
7 that they once had for that full-size
8 car. I understand it's going to be made
9 in Australia because they have a plant
10 there that can accommodate that vehicle.
11 From what I understand, based on your
12 restrictions, you will not be able to buy
13 the Chevy police car.

14 COMMISSIONER ORTMAN: Like I
15 said, I haven't had a look at that
16 particular provision in three or four
17 years. So I don't know the answer to
18 that question at this point. I have to
19 go and talk to Fleet and see if I can get
20 you an answer.

21 COUNCILMAN RIZZO: Well, they
22 say it's not their issue. They say it's
23 your issue.

24 COMMISSIONER ORTMAN: It's an
25 illegal issue.

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2 COUNCILMAN RIZZO: My point
3 being is, you can buy any product you
4 want; the only thing you're telling me is
5 you only have a restriction on vehicles?
6 If you wanted to buy --

7 COMMISSIONER ORTMAN: That's
8 the only restriction that I'm aware of,
9 yes.

10 COUNCILMAN RIZZO: Well, I'd be
11 interested to know, A, how did you get
12 around buying the vehicle, the Prius
13 that's, from what I understand, made
14 outside the United States of America and
15 why we might have a problem in acquiring
16 this new police car if we choose that we
17 even want it. It obviously --

18 COMMISSIONER ORTMAN: I'll get
19 you an answer and submit it to the Chair.

20 COUNCILMAN RIZZO: Okay. Good.
21 Thanks.

22 Thank you, Madam Chair.

23 COUNCILWOMAN TASCO: Thank you.

24 The Chair recognizes
25 Councilwoman Brown.

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2 COUNCILWOMAN BROWN: Thank you,
3 Madam Chair.

4 Good afternoon.

5 COMMISSIONER ORTMAN: Good
6 afternoon.

7 COUNCILWOMAN BROWN: I'd like
8 to follow up on Councilman Jones'
9 question regarding debarment. Can you
10 speak to why that hasn't happened. Is it
11 because the infrastructure or procedures
12 are not in place yet to deal with those
13 contractors who violate, or what? Help
14 me understand.

15 COMMISSIONER ORTMAN:
16 Procurement can only take action after
17 it's been informed of reason to take
18 action by departments or Law Department
19 and we would be directed to debar
20 somebody. We would process the
21 debarment. It's not totally up to us to
22 debar somebody.

23 COUNCILWOMAN BROWN: Okay.

24 COMMISSIONER ORTMAN: It's a
25 group effort and it has to be looked

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2 into. It's a serious matter, because you
3 debar somebody, they can't be with the
4 City for three years, and some companies,
5 you can literally put them out of
6 business, and we need to be aware that
7 we're exactly right in what we're doing.

8 COUNCILWOMAN BROWN: So what
9 departments are involved in that process
10 or procedure?

11 COMMISSIONER ORTMAN: I
12 would -- at this point, we haven't
13 debarred or looked into debarment for
14 quite some time, so I can't give you the
15 100 percent answer, but I would believe
16 the Inspector General would be one of the
17 first.

18 COUNCILMAN GOODE: Point of
19 information.

20 COUNCILWOMAN TASCO: Point of
21 information. Councilman Goode.

22 COUNCILMAN GOODE: Thank you,
23 Madam Chair.

24 I won't mention the firm's
25 name. There is a construction company

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2 that there have been charges brought
3 against. Is that not correct?

4 COMMISSIONER ORTMAN: Say that
5 again one more time.

6 COUNCILMAN GOODE: There is a
7 construction company that have charges
8 brought against it; is that not correct?

9 COMMISSIONER ORTMAN: I believe
10 there is, but I don't think they've been
11 debarred yet.

12 COUNCILMAN GOODE: They have
13 not been debarred yet, but they are in
14 the process of debarment.

15 COMMISSIONER ORTMAN: Okay.

16 COUNCILMAN GOODE: And if they
17 are not in the process of debarment, then
18 we will start our own legislative process
19 toward debarment.

20 COMMISSIONER ORTMAN: But it's
21 out of our --

22 COUNCILMAN GOODE: Someone here
23 could answer that question. I don't have
24 to mention the firm's name.

25 COMMISSIONER ORTMAN: I know

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2 who you're talking about.

3 COUNCILMAN GOODE: Either they
4 are or they are not.

5 (Witness approached witness
6 table.)

7 MR. ABERNATHY: Brian
8 Abernathy, Chief of Staff to the Managing
9 Director.

10 To the best of my knowledge,
11 yes, it is in process.

12 COUNCILMAN GOODE: They are in
13 the process of debarment?

14 MR. ABERNATHY: In process.

15 COUNCILMAN GOODE: Thank you.

16 Thank you, Madam Chair.

17 DEPUTY COMMISSIONER STITT: And
18 they have been disqualified.

19 COUNCILWOMAN BROWN: So I also
20 would like to push the needle a bit
21 further around Councilman Goode's
22 questions regarding those who have
23 contracts, those who answer the questions
24 where we want to know what the MBE/WBE
25 goals are and then what actually

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2 happened. I am not comfortable with it
3 being forwarded to the Chair. That's a
4 good thing. What we're going to ask the
5 head of OEO, whoever is responsible for
6 that, is that for every single remaining
7 department coming before us, that that is
8 a separate, stand-alone part of the
9 testimony so that we see it at the time
10 you're at the table, for the record.

11 Okay?

12 Another request I did make was
13 that we also see as part of the testimony
14 for every department the composition,
15 breakdown of departments in terms of
16 staff, staffing, what staff looks like at
17 the managerial level or the leadership
18 level or the mid leadership level and
19 then what things look like at the staff
20 level. Because, again, the prevailing
21 question is, are those in leadership, are
22 those who are in the ranks of leadership,
23 does it look like Philadelphia.

24 We know that Civil Service has
25 a role in this, but we're also learning

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2 that there are exempt positions. And
3 when there's an opportunity for leaders
4 and heads of department to make decisions
5 around exempt positions, people of color
6 and women are not getting a fair
7 opportunity. So the only way we can get
8 a handle on that is to see it in writing
9 on paper.

10 COMMISSIONER ORTMAN: Yes.

11 We'll get it for you.

12 COUNCILWOMAN BROWN: Okay.

13 DEPUTY COMMISSIONER STITT:

14 Councilwoman, you do see in our testimony
15 the breakdown between --

16 COUNCILWOMAN TASC0: Could you
17 identify yourself for the record.

18 DEPUTY COMMISSIONER STITT:

19 Mary Stitt, Deputy Procurement
20 Commissioner.

21 You do see in our testimony
22 that we have a breakdown of how many
23 minority groups are represented and how
24 many women are represented in our
25 department, and we will, of course,

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2 forward to you what the leadership looks
3 like.

4 COUNCILWOMAN BROWN: Okay.
5 Please.

6 DEPUTY COMMISSIONER STITT:
7 Okay.

8 COUNCILWOMAN BROWN: Last
9 year's -- let me get this right. Speak
10 to, if you will, any connect, any
11 relationship with the various chambers.
12 We have the Greater Philadelphia Chamber,
13 but other chambers where you can share
14 opportunities between government and
15 those chambers so that the membership of
16 those organizations hear and hear what
17 the pending opportunities are.

18 COMMISSIONER ORTMAN: Well, as
19 mentioned in our testimony, we have been
20 going different places around the City.
21 As far as the Philadelphia Chamber of
22 Commerce, the actual meetings that OEO
23 has arranged for doing business with the
24 City that we attend as well are actually
25 held in the Chamber, and they issue

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2 information to their people to come to
3 these meetings and learn a little more
4 about what our process is like, what
5 professional services are all about and
6 so on. So that's an ongoing process.

7 COUNCILWOMAN BROWN: And what
8 do you believe the yield has been, the
9 yield, outcome?

10 COMMISSIONER ORTMAN: It's very
11 difficult to say, because I wouldn't
12 know. I mean, if somebody is there and
13 they get a contract a year later, I'm
14 really not going to remember that I met
15 them there. But the turnout has been
16 excellent of the ones we've had so far.
17 They've asked a lot of good questions and
18 they're interested.

19 COUNCILWOMAN BROWN: Okay. I
20 would offer as a recommendation something
21 that Councilman Jones cares a lot about.
22 It's important to do the work, but it is
23 also helpful to know what the outcome and
24 yield is on the back end, because then,
25 of course, that drives whether or not the

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2 effort is indeed worth it. So that would
3 be helpful too going forward.

4 COMMISSIONER ORTMAN: Yes,
5 ma'am.

6 COUNCILWOMAN BROWN: You stated
7 in last year's testimony that, quote,
8 "Our vendor list is quite extensive." Is
9 the OEO-registered vendors -- has that
10 list expanded at all?

11 DEPUTY COMMISSIONER STITT:
12 Yes. The OEO registration has expanded,
13 I was just told by their Executive
14 Director.

15 COUNCILWOMAN BROWN: In what
16 ways?

17 (Witness approached witness
18 table.)

19 MS. DOWD-BURTON: The OEO
20 registry has been increased from 1,334
21 companies in January of 2010 to 1,708
22 companies as of last Friday. And so it's
23 about a 28 to 30 percent increase. And
24 the goal is to continue to grow the
25 registry in the areas where we do not

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2 have adequate number of companies to
3 increase participation for certain
4 commodities and services.

5 So if you look at the numbers
6 in terms of the breakdown, 45 percent of
7 that registry are ethnic-based companies.
8 Another 55 percent are women-based
9 companies. So it's growing on both
10 categories.

11 COUNCILWOMAN BROWN: So what
12 structural changes have you made in your
13 department to grow that number?

14 MS. DOWD-BURTON: Well, there
15 have been a number of initiatives. We
16 are working very closely with the Women's
17 Business Enterprise National Council, who
18 certifies firms, as well as the Minority
19 Supplier Development Council. We're
20 working closely with the PAUCP, SEPTA,
21 the department within the state that
22 certifies businesses. So the goal is to
23 increase the level of communication
24 across those organizations and to attract
25 the companies that they are certifying.

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2 One of the other things that
3 we're working on is a few and no list.

4 COUNCILWOMAN BROWN: What kind
5 of list?

6 MS. DOWD-BURTON: Few and no.
7 There are lists of about 60 commodities
8 that we buy across the City and we have
9 few or no minorities or women in our
10 registry that provide those products or
11 services. So we've spent the last 12
12 months communicating that list to various
13 organizations and institutions to say, We
14 need to have a sourcing strategy for
15 attracting minorities and women to
16 provide us these products and services.

17 We also have Econsult doing an
18 exploratory across the country to say do
19 they exist anywhere, so that we know when
20 we are looking at opportunities for new
21 markets business development for
22 minorities and women, here is an area
23 that we have not been successful and that
24 they may want to consider.

25 COUNCILWOMAN BROWN: That

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2 speaks to a very interesting editorial
3 that was written by Marc Morial,
4 President of the National Urban League,
5 within the last month wherein he talked
6 about how the opportunity for women and
7 minority-owned businesses is
8 entrepreneurship. So if you have a need
9 here, then there may be an opportunity
10 for government or Department of Commerce
11 to encourage entrepreneurship to then
12 address these needs that have been
13 identified.

14 MS. DOWD-BURTON: Exactly.

15 COUNCILWOMAN BROWN: So I share
16 that, because I just read a synopsis of
17 that report wherein entrepreneurship is
18 the way to put a lot of our citizens to
19 work when the jobs are just not there.

20 So could you circulate that to
21 the Chair so that members of Council can
22 see that few or no list?

23 MS. DOWD-BURTON: Oh,
24 absolutely. And it's also on our
25 website, but we'll be happy to share it

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2 with you.

3 COUNCILWOMAN BROWN: Okay.

4 Last year also someone talked about how
5 in each department there is an identified
6 procurement official who handles the duty
7 and the functions of OEO to make sure the
8 type of concerns raised by Councilmembers
9 are happening systemically. So what's
10 the status of that?

11 MS. DOWD-BURTON: Last May, the
12 Mayor approved OEO officers for each
13 operating department. So we have
14 officers that we actually meet with on a
15 monthly basis to talk about how OEO
16 operates, where the opportunities are
17 within the operating departments in terms
18 of their contracts that will be coming on
19 the horizon. The goal is to plan ahead
20 so that we not only anticipate what the
21 needs are but are identifying companies
22 that can respond to those needs when the
23 RFP or the bid is put on the street.

24 So in addition to the program
25 that he mentioned doing business with the

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2 City, Let's Get Started -- that's the
3 full name -- we are providing information
4 and opportunity to those companies. We
5 have departments, in addition to
6 Procurement, we have License and
7 Inspection, we have Finance, we're
8 talking about -- and we have PIDC for the
9 Emerging Loan Program. So the goal is to
10 build an infrastructure for these
11 companies to not only provide them with
12 information, but support to enter into
13 doing business with the City.

14 COUNCILWOMAN BROWN: Thank you.

15 On the enforcement end, I'm still
16 learning, let me just say for the record.
17 Who is responsible for ensuring that
18 what's put on paper is then reviewed to
19 see and make sure what's put on paper is
20 actually real? Where does that function
21 lie?

22 MS. DOWD-BURTON: Well, it lies
23 within the operating departments who are
24 living with those companies on a daily
25 basis and it also lies with OEO to follow

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2 up with those companies to make sure that
3 there are subcontracts in place, to make
4 sure subcontractors are being paid when
5 the primes get paid. And so we are
6 working on a system that will be
7 implemented shortly. It was mentioned by
8 the Department of Technology. That
9 system will enable us to once we enter
10 contracts, we have participation that we
11 can --

12 COUNCILWOMAN BROWN: See the
13 red flags.

14 MS. DOWD-BURTON: Exactly. So
15 it will not only report participation, it
16 will report payments, and then
17 subcontractors will also be able to
18 confirm they have been paid.

19 COUNCILWOMAN BROWN: So do you
20 suspect that we'll be at a different
21 place a year from now when we're talking
22 budget and departments as relates to this
23 issue?

24 MS. DOWD-BURTON: Absolutely.

25 COUNCILWOMAN BROWN: Okay.

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2 Thank you.

3 I'm done. Thank you very much.

4 Thank you, Madam Chair.

5 COUNCILWOMAN TASC0: Thank you.

6 Let me just ask one question
7 before we call on the next Councilmember.

8 On Page 3 of your testimony you talk
9 about the Department is responsible to
10 certify local business entities that may
11 qualify for the five percent bid
12 preference on contract awards. How
13 successful is this? Are we gaining more
14 local businesses in terms of
15 participation because of this preference?

16 COMMISSIONER ORTMAN: Well, the
17 participation and LB are two separate
18 things.

19 COUNCILWOMAN TASC0: Well, they
20 qualify for five percent bid preference
21 on contracts.

22 COMMISSIONER ORTMAN: But it
23 has nothing to do with -- there's less
24 awards in the last couple of years than
25 in previous years when the program first

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2 got started. I can't tell you that's
3 because of less bids, which there have
4 been because the budget hasn't been that
5 great. But we have 153 companies that
6 have submitted for the preference and
7 have received a preference. As I
8 mentioned in the bid, a few of them are
9 not qualified anymore. So it's been a
10 semi-successful program, yes.

11 COUNCILWOMAN TASC0: Okay.

12 Thank you very much.

13 COMMISSIONER ORTMAN: You're

14 welcome.

15 COUNCILWOMAN TASC0: The Chair

16 recognizes Councilman Jones.

17 COUNCILMAN JONES: You took the

18 words right out of my mouth, Madam Chair.

19 I would like to know how many

20 bids went out and were successfully
21 awarded with the preference of local
22 bidding.

23 COMMISSIONER ORTMAN: We do

24 submit that to the Chair every January,
25 but I do believe I have that here.

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2 COUNCILMAN JONES: I know it's
3 not January, but --

4 COMMISSIONER ORTMAN: I know.
5 I got it right here.

6 Let's see here. This is done
7 by calendar year, not fiscal year.

8 COUNCILMAN JONES: That's fine.

9 COMMISSIONER ORTMAN: For
10 calendar year of 2010, there were three
11 bids awarded because of the preference,
12 which --

13 COUNCILMAN JONES: Out of how
14 many? Three out of?

15 COMMISSIONER ORTMAN: These are
16 all awarded to public works contracts or
17 public works bids. There were 104 bids
18 that went out, I believe.

19 COUNCILMAN JONES: So three out
20 of 104, approximately?

21 COMMISSIONER ORTMAN: For
22 public works, yes. These three were all
23 public works. There were none in SS&E.

24 COUNCILMAN JONES: Okay. That
25 says that we have to figure more creative

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2 ways to get the local economy stimulated
3 through your activities without violating
4 any state procurement laws, and I'll say
5 that two times, without violating any
6 state procurement laws.

7 DEPUTY COMMISSIONER STITT:

8 Could I add to that, Councilman?

9 COUNCILMAN JONES: Yes.

10 DEPUTY COMMISSIONER STITT:

11 That doesn't mean -- if three out of the
12 104 were awarded the bid based off of the
13 preference doesn't mean that -- some of
14 that 104 could have definitely been local
15 businesses that were the lowest
16 responsive and responsible bidder and
17 didn't need the preference. They were
18 low anyway.

19 COUNCILMAN JONES: So as you
20 provide the information, I'd like to take
21 a look at that.

22 DEPUTY COMMISSIONER STITT:

23 Okay.

24 COUNCILMAN JONES: How many of
25 your contracts are requirements

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2 contracts? And explain to the body and
3 those listening what a requirements
4 contract is.

5 COMMISSIONER ORTMAN: SS&E
6 contracts and -- by virtue of what public
7 works contracts are, they're
8 requirements, is they continually are
9 ongoing. SS&E, I would say 95 percent
10 are probably requirements contracts. We
11 even do vehicles on requirements
12 contracts now.

13 COUNCILMAN JONES: So is that
14 up from maybe a couple years ago?

15 COMMISSIONER ORTMAN:
16 Percentage-wise or numbers-wise?

17 COUNCILMAN JONES: I'm saying
18 the number of contracts that fall --
19 before, just for everyone's, you could
20 buy a pencil and every department could
21 buy that pencil. Some bright Procurement
22 person decided that we're going to buy
23 pencils bulk and you draw down on the
24 requirements as needed. That makes sense
25 in a lot of categories, but what it also

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2 does is makes it more available for as
3 Staples to bid on, because they can buy
4 in such bulk that a small business can't
5 be competitive with the price. And I'm
6 okay. I at least understand that,
7 because we as a city can't afford not to
8 do it that way.

9 The question I guess I have is,
10 how many of those contracts do we have?
11 How often are they renewed and to give
12 new businesses an opportunity to at least
13 take a shot at it? And so when I asked
14 how many of those and are they up over
15 the years, is the question I would have
16 for you guys.

17 COMMISSIONER ORTMAN: Well,
18 most of the requirements contracts we
19 have out there have one contract year
20 initially and three options to renew for
21 the next three years, and that's totally
22 at the option of the City. It's not
23 automatic. There are many times that we
24 haven't renewed them for one reason or
25 another.

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2 COUNCILMAN JONES: But could
3 you give us a list of all of them so
4 that -- I mean --

5 COMMISSIONER ORTMAN: Oh, yeah.

6 COUNCILMAN JONES: And I'm
7 going to give you a perfect example of
8 where it works out well. You buy our
9 fleets' gasoline, correct?

10 COMMISSIONER ORTMAN: Correct.

11 COUNCILMAN JONES: And that's
12 done on a requirements contract, right?

13 COMMISSIONER ORTMAN: Right.
14 That's only a one-year contract, though.

15 COUNCILMAN JONES: But at the
16 beginning of the year, gas was \$2 a
17 gallon. It is now close to -- so whoever
18 did that contract is a genius and
19 deserves the Philadelphia award, because
20 we're not paying for that increase and
21 spike in gas, correct?

22 COMMISSIONER ORTMAN: He just
23 retired on the DROP program. He's gone.
24 But he's responsible for it. Bob Fox has
25 done a great job with that over the

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2 years.

3 COUNCILMAN JONES: Over the
4 years we've been able to hold down
5 fluctuations in price through
6 requirements contracts. So I'm not
7 against them. I just want to know where
8 we have them, because that does have
9 maybe an unintended impact of limiting
10 the number of local firms or small
11 businesses that can participate in that
12 bulk.

13 COMMISSIONER ORTMAN: Well, you
14 mention small businesses. There were
15 900-and-some SOPs that went out, small
16 order purchases, in FY10, and those
17 specifically go to small businesses and
18 vendors that are registered with OEO.
19 They are most all of them -- I shouldn't
20 say all. I would say, again, 95 percent
21 are -- opposite of requirements is 95
22 percent are firm limited. So those are
23 continually going out each year.

24 COUNCILMAN JONES: So would you
25 give us a breakdown, an estimate on how

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2 many dollars go into that segment of
3 contractors?

4 COMMISSIONER ORTMAN: Which
5 segment do you want, the first one or
6 this one?

7 COUNCILMAN JONES: Small
8 business purchases.

9 COMMISSIONER ORTMAN: Yes. We
10 have total dollars, over \$6 million.

11 COUNCILMAN JONES: Six million?
12 Okay.

13 Thank you, Madam Chair.

14 COUNCILWOMAN TASC0: Thank you
15 very much.

16 Are there any other questions?

17 (No response.)

18 COUNCILWOMAN TASC0: Thank you
19 very much.

20 COMMISSIONER ORTMAN: Thank
21 you.

22 DEPUTY COMMISSIONER STITT:
23 Thank you.

24 (Witnesses approached witness
25 table.)

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2 COUNCILWOMAN TASCO: We're
3 going to now hear from the Managing
4 Director's Office.

5 Good afternoon.

6 MR. NEGRIN: Good afternoon.

7 COUNCILWOMAN TASCO: Would you
8 like to proceed. Identify yourself and
9 proceed with your testimony.

10 MR. NEGRIN: Good afternoon,
11 Chair Councilwoman Tasco and members of
12 Council. I am Rich Negrin, Managing
13 Director and Deputy Mayor for
14 Administration and Coordination of the
15 City of Philadelphia. It is my pleasure
16 to be here this afternoon. With me today
17 are Brian Abernathy, my Chief of Staff,
18 and David Wilson, who is First Deputy for
19 the Managing Director's Office.

20 Over the course of Fiscal Year
21 '11, the Managing Director's Office, MDO,
22 has undertaken a series of initiatives,
23 very important ones; for example,
24 PhillyRising, a program which partners
25 with City departments and other agencies

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2 to prioritize, plan and deliver services
3 required to address chronic crime and
4 quality of life issues. We have also
5 worked very diligently over the last year
6 to improve the service of our 3-1-1 call
7 center, which has virtually a 93 percent
8 positive rate. We've expanded and
9 internally relaunched what we call
10 PhillyStat, our performance management
11 accountability program, to measure and
12 improve citywide operations. We've
13 expanded our great language access
14 program, Global Philadelphia, which aims
15 to make government readily accessible for
16 Philadelphians who have limited English
17 proficiency. We have begun the important
18 transfer of Animal Control from the
19 Health Department to the MDO, and with
20 the dedicated support of Deputy Mayor
21 Gillison and Deputy Mayor Cutler, who is
22 in the room, the MDO has helped maintain
23 service levels for important programs
24 such as the Youth Violence Reduction
25 Partnerships, YVRP, and Community Life

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2 Improvement Programs, that's the CLIP
3 program.

4 And I want to add that I
5 appreciate Thomas Conway wearing a suit
6 today. I think it's the first time that
7 I've seen him wearing a tie and a suit.
8 Little unusual. I almost didn't
9 recognize him.

10 Before I continue with my
11 testimony, I want to take a brief moment
12 to discuss my special commitment to
13 diversity. I heard a number of the
14 questions before this session, and I
15 wanted to help address some of those
16 before I got into some of the numbers.

17 The MDO's MBE/WBE/DBE
18 participation rates -- and I want to
19 highlight our commitment to making
20 Philadelphia government and our partners
21 one of the most friendly and diverse
22 cities in the nation, a city that is not
23 only open but inviting to all Americans.
24 To show the MDO's commitment to minority,
25 women and disabled businesses in City

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2 contracting, during Fiscal Year '11 my
3 office has achieved a 23 percent
4 participation rate, a significant
5 improvement over our Fiscal Year '10
6 numbers. The MDO's Fiscal Year '12
7 participation goal is 25 percent. To
8 exemplify this commitment internally, we
9 at the MDO take an active role in
10 employing a diverse group of people.

11 I've heard questions about
12 staffing. Almost 60 percent of the
13 current MDO's workforce comes from a
14 minority background, the majority of
15 which, 46 percent, identified themselves
16 as African American, nine percent
17 Hispanic, of which I am one. To show the
18 MDO's commitment to women, 60 percent of
19 our active workforce is composed of
20 women. And to ensure meaningful access
21 to City services for all Philadelphians,
22 including immigrants and individuals with
23 limited English proficiency, Global
24 Philadelphia is committed to
25 strengthening the relationship between

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2 diverse linguistic communities and the
3 City government by ensuring that English
4 language proficiency is not a barrier in
5 accessing essential City services. These
6 commitments are especially important to
7 me on a personal level as a
8 first-generation son of immigrants and
9 will remain to be a top priority for the
10 MDO's Office.

11 The MDO Fiscal Year '12 budget
12 has been reorganized to include two
13 additional divisions. The first, as I
14 mentioned, is Animal Control, which will
15 be transferred from the Department of
16 Health to the MDO. We have also created
17 a separate division for the first time
18 this year, because it is appropriate for
19 3-1-1, which for the past two fiscal
20 years has fallen under the MDO's
21 Administration Division.

22 Therefore, the MDO's Fiscal
23 Year '12 budget totals \$22 million in the
24 General Fund and reflects an increase of
25 6.4 million for this year. The majority

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2 of the increase is accounted for by the
3 following: Again, 3.8 million, and that
4 is the bulk of the increase, is related
5 to the transfer of Animal Control from
6 the Health Department to the MDO; 1.5
7 million is allocated for the Youth
8 Violence Reduction Partnership; 500,000
9 is allocated to fund personnel costs
10 associated specifically with PhillyRising
11 to make sure that we can expand the
12 program across the City. More than
13 200,000 is allocated to fund personnel
14 costs under the Mayor's Office of
15 Sustainability for three critical staff
16 members, who are currently funded through
17 a federal grant set to expire in June of
18 this year. And 167,000 is allocated for
19 a transfer of five agents from the
20 Department of L&I to 3-1-1 to continue
21 the consolidation of that important call
22 center function.

23 The Administration Division of
24 the MDO would be funded at 3.4 million of
25 this amount. Seven hundred and

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2 thirty-eight thousand is derived from the
3 Grants Fund and 2.6 million is derived
4 from the General Fund. The
5 Administration Division provides policy
6 direction, reviews efficiencies and
7 ensures accountability for the delivery
8 of City services. Functions include the
9 support for administrative programs such
10 as PhillyStat and PhillyRising, along
11 with Mini City Halls, the Mayor's
12 Commission on People with Disabilities
13 and the Mayor's Commission on Aging, as
14 well as the Mayor's Office of Faith-Based
15 Initiatives and various advisory boards,
16 including the Private Sector Outreach
17 Board, which a number of City Council
18 members are a part of.

19 In Mayor Nutter's budget
20 address, he noted that one of Fiscal Year
21 '12's investments would be PhillyRising.
22 This is a new model for neighborhood
23 service delivery in Philadelphia. Under
24 the leadership of Deputy Managing
25 Director John Farrell, PhillyRising works

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2 to partner with residents in developing
3 strategies to help them combat chronic
4 crime and quality of life issues that
5 continue to plague our neighborhoods. In
6 the Hartranft community of North
7 Philadelphia located in Councilman
8 Clarke's district, we have aided the
9 community in reopening an indoor pool,
10 demolishing 14 imminently dangerous
11 properties, bringing the Police Athletic
12 League to the local elementary school,
13 opening a new computer lab for free adult
14 education that is really making a
15 difference, and watching neighbors work
16 together to help beautify their streets.
17 We are also seeing an impact on crime;
18 most notably, an almost 16 percent
19 decrease in serious crime between
20 February and December of 2010 from the
21 previous year. These successes are
22 achieved by better coordination rather
23 than the expenditures of significant
24 resources. It's by doing things smarter.

25 I also want to add that just

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2 yesterday I attended the Citizen
3 Engagement Academy, which was the first
4 graduation we had for ten members of that
5 community, who actually took a six-week
6 program to learn all about City services,
7 what they can and cannot do. It was a
8 pleasure to see Mayor Nutter there
9 actually offering them their
10 certificates. They were so proud. One
11 of them was Diane Bridges, who has helped
12 make so many of the changes in the
13 Hartranft community.

14 The investment we have
15 requested for PhillyRising will allow us
16 to expand the program over the course of
17 Fiscal Year '12. The vast majority of
18 our request, \$547,000, will fund the
19 salaries of seven staff members who
20 handle day-to-day operations for targeted
21 neighborhoods. Six coordinators will
22 each be assigned to one of the six police
23 divisions. These coordinators will be
24 responsible for bringing PhillyRising to
25 communities within their borders, and

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2 they will reach troubled neighborhoods
3 across the City. The final position is
4 that of the Deputy Managing Director that
5 is encompassed by John Farrell's
6 position, who will oversee the operations
7 citywide.

8 During the past fiscal year,
9 the MDO, under the program administration
10 of Assistant Managing Director Catherine
11 Lamb, has redesigned internally the
12 PhillyStat model to better improve
13 departmental performance and provide
14 accountability. The new PhillyStat model
15 focuses on achieving outcomes that matter
16 to residents while simultaneously
17 focusing on improving the internal
18 efficiency of City government. The new
19 PhillyStat model was soft launched in
20 January 2011 under my direction as a
21 pilot and will be rolled out officially
22 later this spring.

23 Global Philadelphia, a program
24 overseen by Assistant Managing Director
25 David Torres, is the City's language

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2 access program. Global Philadelphia's
3 primary focus, as I mentioned earlier, is
4 the building of a sustainable
5 infrastructure within and across
6 departments to ensure meaningful access
7 to City services for all Philadelphians,
8 including individuals with limited
9 English proficiency. Over the course of
10 Fiscal Year '11, the program has
11 continued to engage departments citywide
12 by assisting them in their provision of
13 services to LEP residents through
14 interpretation and translation resources.

15 I want to also add that
16 recently it has also coordinated a very
17 effective and important cultural
18 sensitivity training across the City
19 across departments that has been very
20 successful.

21 The MDO's Administrative
22 Division also includes the coordination
23 of special events overseen by Deputy
24 Managing Director Jazelle Jones. This
25 office serves as a catalyst to encourage

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2 cooperation and collaboration on
3 interdepartmental projects and events, as
4 well as external initiatives including
5 the production of films, commercials,
6 parades, festivals, concerts and many
7 other special events.

8 Philly 3-1-1, under the
9 leadership of Deputy Managing Director
10 Rosetta Lue, is the City's non-emergency
11 call center and walk-in facility. The
12 division of Philly 3-1-1 accounts for 2.9
13 million of the MDO's budget. This amount
14 reflects a transfer of 165,000 for the
15 L&I employees that I mentioned earlier.

16 Another success in 3-1-1 and
17 something new that we've started this
18 year has been the establishment of the
19 new Customer Service Leadership Academy.
20 It is now available to all City
21 employees. The Academy provides a
22 variety of training to City employees; in
23 particular, those who have regular
24 interaction with the public, to improve
25 their customer service skills. Since its

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2 launch, over 400 City employees have
3 attended various courses. The feedback
4 on this program has been incredibly
5 positive. And those 400 employees have
6 been trained just within this past
7 calendar year. So it's making a lot of
8 headway. My goal would be that every
9 department within the Administrative
10 group who has interaction with the public
11 goes through that training so that when
12 people call the City of Philadelphia,
13 they have a positive customer service
14 experience. So we're well on our way in
15 that issue.

16 Philly 3-1-1 has taken almost 3
17 million calls -- I believe in April we
18 expect to hit 3 million -- since its
19 inception in December of 2008, providing
20 all callers with an easy way to access
21 and navigate City-related services. At
22 the start of Fiscal Year '11, 3-1-1 was
23 nationally designated as a citizen
24 engaged community by the Public
25 Technology Institute, something we're

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2 very proud of. Citizen engagement during
3 the year included training close to 200
4 Philadelphia residents to become 3-1-1
5 neighborhood liaisons. This program is
6 designed to provide active residents
7 requesting multiple City services with an
8 easy-to-use tracking system to monitor
9 the progress of each specific request.

10 With the help of my Chief of
11 Staff, Brian Abernathy, Animal Control, a
12 newly established division within the
13 MDO, accounts for 3.8 million of the
14 budget. This is a direct transfer of
15 General Fund monies from the Department
16 of Health to the MDO. The majority of
17 this funding is allocated toward
18 professional services under Class 200.
19 And I notice that Councilman Kelly is
20 here. I know he was, in large part,
21 responsible for this, and I know Brian is
22 very thankful for your interest in this
23 area.

24 With the help of Deputy
25 Managing Director Bridget Greenwald and

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2 Finance Director Rob Dubow, the MDO, in
3 collaboration with various City
4 departments, have developed a
5 comprehensive strategy to address the
6 City's vacant property situation. To
7 date, we have engaged many internal and
8 external stakeholders in the vacant
9 property conversation, including
10 Council's Committee on Housing,
11 Neighborhood Development and the
12 Homeless, focusing our efforts on the
13 disposition of City-owned property, the
14 maintenance of vacant land, the
15 acquisition and tax policies surrounding
16 vacant property, and establishing an
17 accurate vacant property inventory. This
18 effort is still in the preliminary stages
19 and we will continue to partner with City
20 Council as we move forward.

21 The Division of Public Safety
22 proposes a total allocation of 14.5
23 million, of which 6.7 million is derived
24 from the General Fund while 7.7 million
25 is derived from the Grant Fund. The

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2 proposed increase for the General Fund is
3 1.5 million, all of which replace
4 expiring federal grant funds, in YVRP to
5 continue its successful investment in
6 Philadelphia's youth.

7 For the Division of
8 Transportation and Utilities, a total
9 allocation of 5.4 million is requested
10 for Fiscal Year '12. Of this amount,
11 80,000 represents the Grants Fund and 5.3
12 million represents the General Fund.

13 Under the supervision of Deputy Managing
14 Director Thomas Conway, the CLIP program
15 continues to improve the appearance and
16 image of the City of Philadelphia. The
17 number of vacant lots cleaned this year
18 has increased an impressive 30 percent
19 due to increased maintenance or
20 compliance by property owners.

21 The Health and Opportunity
22 Division constitutes a small portion of
23 our budget. The proposed allocation for
24 this division is \$540,000, all of which
25 is derived from the General Fund. This

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2 money supports personnel expenses of five
3 staff members.

4 The Mayor's Office of
5 Sustainability constitutes the majority
6 of the Economic Development Division of
7 the MDO budget. The total proposed
8 allocation for this division is 4.1
9 million. Of this amount, 800,000 is the
10 General Fund while 3.3 million is
11 generated from Grants Revenue. The
12 General Fund reflects an increase of
13 218,000 in Class 100, which is directly
14 related to the transition of three
15 critical positions from a Department of
16 Energy grant to the General Fund. MOS,
17 under the leadership of the Director of
18 Sustainability, Katherine Gajewski, is
19 responsible for coordinating and
20 implementing Greenworks Philadelphia and
21 for driving Mayor Nutter's commitment to
22 making Philadelphia the greenest city in
23 America by 2015.

24 Thank you for the opportunity
25 to testify today, and at this time, I

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2 would love to take questions.

3 COUNCILWOMAN TASC0: Thank you
4 very much.

5 On Page 5 of your budget
6 detail, it reflects that you are
7 requesting an increase of 23 full-time
8 General Fund employees. Can you tell us
9 how many of these positions and their
10 value that you wish to transition from
11 Grants Revenue Fund and the service
12 impact if they were not funded?

13 MR. WILSON: Good afternoon,
14 Madam President. Dave Wilson, First
15 Deputy Managing Director.

16 From that 23, there are roughly
17 five positions that are Grant funded that
18 will need to be transferred over.

19 COUNCILWOMAN TASC0: Could you
20 give us a breakdown? Did you give us a
21 breakdown in your testimony of those
22 positions?

23 MR. WILSON: I do not believe
24 there was a breakdown in the testimony,
25 but I'd be more than happy to give you a

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2 breakdown for that.

3 COUNCILWOMAN TASC0: Could you
4 give it to the Chair, please.

5 MR. WILSON: Absolutely.

6 COUNCILWOMAN TASC0: Thank you
7 very much.

8 The number of positions being
9 transferred to your office from other
10 agencies -- what are the number of
11 positions being transferred to your
12 office from other City agencies and their
13 value?

14 MR. WILSON: The number of
15 positions transferred would be five, and
16 that total value would be, I believe
17 it's, \$165,000.

18 COUNCILWOMAN TASC0: What are
19 the number of the new positions and their
20 value that you are requesting?

21 MR. WILSON: The number of new
22 positions that we're requesting would be
23 six.

24 MR. NEGRIN: Those are the five
25 PhillyRising positions and the one that

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2 we anticipate, Animal Control position.

3 COUNCILWOMAN TASC0: Five from
4 the Grants, five from other departments
5 and six new ones?

6 MR. WILSON: Correct.

7 COUNCILWOMAN TASC0: So where
8 are the others?

9 MR. WILSON: The remaining
10 positions would be positions that we've
11 already brought on based on an increase
12 to our target budget. So these are
13 positions that are currently part of the
14 MDO, but we were able to bring them on
15 because of the increase in our target
16 budget.

17 COUNCILWOMAN TASC0: So you're
18 adding seven new positions?

19 MR. WILSON: Yes.

20 COUNCILWOMAN TASC0: Okay.
21 Thank you.

22 MR. WILSON: We would provide a
23 more detailed background for you.

24 COUNCILWOMAN TASC0: I think it
25 would be better to kind of sort of lay it

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2 out as to really what you're doing, the
3 new people, what's being transferred to
4 your department would be better.

5 MR. WILSON: Absolutely.

6 COUNCILWOMAN TASC0: Thank you.

7 On Page 4 of your detail,
8 you're requesting \$50,000 in new funding
9 for public service areas. How will these
10 funds be used, and what are public
11 service areas?

12 MR. NEGRIN: The PSA is public
13 service area, which was the platform in
14 which PhillyRising was built on. So what
15 you see there is a request that I believe
16 is subsumed under the PhillyRising
17 request. So the PSA was where the idea
18 for PhillyRising came from. So that's
19 what that refers to. The PSA is
20 police -- it's a police service area. I
21 don't like the name. I think we all know
22 that PSA is a public service
23 announcement. So we've grown the
24 PhillyRising program out of the PSA
25 piece, but that's what that's

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2 referencing. It's referencing what
3 PhillyRising used to be before we
4 expanded it and pulled in all these other
5 agencies.

6 COUNCILWOMAN TASC0: On Page 5
7 of your testimony, you mention your
8 Health and Opportunity Division. Can you
9 tell us what services they provide and
10 the benefit to the City?

11 MR. ABERNATHY: That entire
12 funding -- Brian Abernathy, Chief of
13 Staff to the Managing Director.

14 That funding funds five
15 positions, two Deputy Mayors, their Chief
16 of Staff and two Administrative
17 Assistants.

18 COUNCILWOMAN TASC0: What do
19 they do?

20 MR. ABERNATHY: Deputy Mayor
21 Schwarz --

22 COUNCILWOMAN TASC0: Oh, I'm
23 sorry. No. Okay.

24 MR. ABERNATHY: Mike
25 DiBerardinis is also funded in that line

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2 item.

3 MR. NEGRIN: I was asking the
4 same questions.

5 MR. ABERNATHY: Deputy Mayor
6 Schwarz's Chief of Staff, Susan Kretsge,
7 is also funded through that, and there
8 are two Administrative Assistants.

9 COUNCILWOMAN TASCO: Is this
10 the Healthy Opportunity grant money?

11 DR. SCHWARZ: No.

12 MR. WILSON: No. This is
13 General Fund money.

14 (Witness approached witness
15 table.)

16 DR. SCHWARZ: Don Schwarz. I
17 am Deputy Mayor for Health and
18 Opportunity.

19 So this includes my salary, the
20 salary for my Chief of Staff, who
21 coordinates a fair amount of the work
22 that we do across departments and new
23 initiatives that are initiated through
24 our office and analyses that are done.
25 One person is my secretary, my assistant,

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2 and the other is a vacant position at the
3 moment for an Administrative Assistant or
4 a secretary.

5 COUNCILWOMAN TASCO: Okay.

6 Thank you. Thank you very much.

7 The Chair recognizes Councilman
8 Rizzo.

9 COUNCILMAN RIZZO: Thank you.

10 Thank you, Madam Chair.

11 Managing Director, I was
12 pleased to hear -- but I don't think I
13 got all of it -- your interest and
14 concern about language barrier, and that
15 leads me to something that I think is
16 very important, and it's the hundreds of
17 e-mails that maybe you've received about
18 the Police Advisory Commission. I know
19 I've received them. You do control the
20 budget for that Commission. So what I'm
21 asking is that it seems reasonable with
22 the language barrier that many people
23 have, especially in such a sensitive area
24 of potentially a complaint against a City
25 employee, that you want very clear

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2 communication. I'm not suggesting that
3 everyone that approaches the Police
4 Advisory Commission can't communicate in
5 English, but they maybe can't communicate
6 to the degree with the fine detail. And
7 I think it's a reasonable request that a
8 Hispanic or Latino, population growing
9 the way it has, that truly to have a
10 Spanish-speaking interpreter,
11 investigator is very reasonable and I
12 think you would want, based on what I
13 heard about 20 minutes ago, to have in
14 place there, because the last thing you
15 would want to have is a lack of
16 communication between the non-speaking --
17 you understand where I'm coming from
18 here?

19 MR. NEGRIN: I do.

20 COUNCILMAN RIZZO: What can we
21 do? Because if someone asked me does the
22 Police Advisory Commission have an
23 interpreter or investigator that can
24 speak Spanish, I'd say absolutely.
25 They'd have to. So my appeal to you is

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2 to make that happen.

3 MR. NEGRIN: Yes. That's the
4 short answer. The longer answer is,
5 we're going to go back to doing it the
6 way it was done. We had an individual in
7 that position. What happened was, they
8 left. We're committed to making sure
9 that there's someone down there who is --
10 the question is whether it's going to be
11 someone who is full time or not. I don't
12 know if that's the commitment we're
13 willing to make. I think we have to
14 figure out exactly what the best approach
15 is, but we're committed and we share your
16 concern. And I especially on a personal
17 level understand the need to have someone
18 there who can speak the language of the
19 individuals in the community who are
20 looking to bring legitimate complaints
21 against Police. So we will make sure --
22 I know Everett is here if you have more
23 questions, but I know he is deeply
24 committed to making sure that those
25 complaints get heard and that they're

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2 addressed and that there's a great
3 mechanism in place to make sure that
4 nothing falls through the cracks because
5 of language.

6 When I received a number of
7 these e-mails last week -- and
8 Councilwoman Quinones was the first, I
9 think, to bring this to my attention -- I
10 sent this to David Torres in my office,
11 who, as I said earlier, is in charge of
12 Global Philadelphia. And David has been
13 working with Everett's office and his
14 individuals to make sure that we can
15 fulfill those needs, even if there's a
16 temporary solution around linking some of
17 the stuff we do with Global Philadelphia
18 with what's going on at the Police
19 Advisory Board to make sure that we have
20 a short-term fix and then do what we can
21 to make sure there's a long-term fix by
22 having someone who is there and
23 available.

24 COUNCILMAN RIZZO: And I don't
25 think just the interpreter part is the

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2 entire request. I think the
3 investigative skill is important, because
4 as a result of the complaint, there needs
5 to be, I'm sure, interaction with a lot
6 of other people that may need someone
7 that has the ability to speak Spanish
8 but, equally important, has the ability
9 to conduct an investigation. A lot of
10 people could interpret, but having the
11 skill set to be the investigator is also
12 very important.

13 MR. NEGRIN: I think that's
14 exactly right, and I think it goes beyond
15 the investigatory piece. I think there's
16 a cultural awareness and a sensitivity
17 around how people interact with the
18 Police. The Hispanic or Latino
19 experience with the Police is very
20 different than the African American
21 experience with Police. There needs to
22 be a very profound understanding of what
23 that is and what those differences are in
24 order to better serve the community.

25 COUNCILMAN RIZZO: If you could

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2 get back to us when you and the Deputy
3 Mayor get this resolved, because I think,
4 honestly, I think it's an obligation to
5 do this the right way.

6 MR. NEGRIN: Will do.

7 COUNCILMAN RIZZO: And I thank
8 you for being both open to resolving this
9 problem.

10 MR. NEGRIN: My pleasure.

11 COUNCILMAN RIZZO: Thank you,
12 Madam Chair.

13 COUNCILWOMAN TASCIO: Thank you.

14 The Chair recognizes Councilman
15 Jones.

16 COUNCILMAN JONES: Thank you,
17 Madam Chair.

18 COUNCILMAN RIZZO: Thank you,
19 Councilman.

20 COUNCILMAN JONES: You're
21 welcome.

22 First of all, let me say that
23 PhillyRise wasn't just in Darrell
24 Clarke's district. I happen to know on a
25 Saturday morning, see a cast of

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2 characters out in my district providing
3 services at a grassroots level, which we
4 haven't seen for quite some time in the
5 community, and that area was very
6 grateful to see government responding,
7 not in a top-down manner but in a
8 bottoms-up manner. So we're thankful for
9 that and the participation and follow-ups
10 from everything from alley cleanings and
11 Tommy Conway and others that have been a
12 part of my district for quite some time.
13 So North Philly doesn't have all of the
14 fun. West Philly has some of the fun as
15 well.

16 I would like to ask

17 Mr. Abernathy -- and it's always good to
18 see you back in Council Chambers. You
19 were aggressively working on a property
20 acquisition/disposition process last year
21 and I wanted to know where we were with
22 that by way of City-owned properties,
23 vacant properties, and have we gotten our
24 arms around that process.

25 MR. ABERNATHY: Thank you,

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2 Councilman. As you know, that process
3 involved a number of different
4 departments, and it's a large project.
5 We're continuing to work through some of
6 the outstanding issues, continuing to
7 work through a number of details that we
8 certainly will be bringing back to this
9 Council through Councilwoman Blackwell's
10 committee going forward, hopefully within
11 the next month or so.

12 COUNCILMAN JONES: I mean,
13 that's very important. As we start to
14 look to the light at the end of the
15 tunnel by way of this recession, we start
16 to look at, God forbid, construction. So
17 site acquisition and site control become
18 very important. So we'd like to probably
19 take a look at that. As the market eases
20 and banks start to lend, businesses start
21 to grow, we want to be able to put forth
22 some of those properties in a way that,
23 A, gives us revenues. I mean, if I look
24 at Market Street as an example of
25 wonderful construction with the El after,

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2 what, seven to ten years of construction
3 we have -- we are experiencing 40 percent
4 abandonment under that between 59th and
5 63rd. So that property
6 acquisition/disposition process becomes
7 critical to us. We don't want to wait
8 until the economy gets better and then we
9 don't know how to move properties for
10 developers. So I anxiously anticipate
11 you wrestling that bear, and I know
12 you're very capable of doing that.

13 One of the things that I want
14 to -- you talked about the new PhillyStat
15 and how that's working. One of the
16 things that I talked about beyond
17 PhillyStat, which might have been a part
18 of -- well, it was a part of a
19 procurement model that we used to attract
20 over 2 billion, billion with a B, dollars
21 in opportunities from the stimulus
22 package, and I wanted to encourage us to
23 continue that model to look at federal,
24 state opportunities and to kind of pull
25 together the eclectic number of talents

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2 that were sitting around that table to
3 try to get more revenues, more programs,
4 more dollars into our caucus and wanted
5 to know if indeed -- I know the stimulus
6 package is sunseting, but opportunities
7 under another name are just as good, and
8 as we start to count quarters in the
9 couch, we really need to stay focused as
10 to what is available that we can take
11 advantage of here in Philadelphia from
12 Washington, DC and in the state. I
13 wanted to know if you're going to pursue
14 that model.

15 MR. NEGRIN: As part of the new
16 model -- and I can let Cat Lamb kind of
17 brief you on the two different models.
18 Part of what we call PhillyStat Ops is
19 one of the things I'm asking my
20 operational teams to do. It's the first
21 time that we're doing what I would
22 call -- it's something I've used in the
23 private sector. It's more of a corporate
24 ops model that is very different than
25 what we've done in the past. So as part

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2 of this model, one of the -- we're
3 looking at the departments in five broad
4 areas. Their operations, so key metrics
5 on their performance on their operations.
6 Their finances. When we look at their
7 finances, we're looking with how they're
8 tracking to their budget, what are their
9 revenue opportunities, what are their
10 grant opportunities. We're talking about
11 including in that process how they're
12 doing with their Recovery fund spending,
13 because you need to spend it in order to
14 utilize all of that. Maari Porter and I
15 have had some conversations about that.
16 She's our Recovery Officer.

17 We're looking at HR as another
18 broad area. We're looking at Technology
19 as another broad area. And then a big
20 focus for me has been customer service.
21 So we're creating very similar to how we
22 have integrity officers in different
23 departments that have helped move the
24 needle around integrity, we're creating
25 customer service officers who look at

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2 what are the key metrics on how we're
3 touching people's lives through response
4 times, through how the call center is
5 operating.

6 So your suggestion I think is a
7 great one, and I think it's something
8 that we can incorporate into the
9 financial piece of what we're doing so
10 that we're not just doing key metrics
11 around four or five kind of key
12 operational things, we're looking at the
13 entire department and getting a snapshot
14 in time of how they are at least on a
15 quarterly basis so that we understand the
16 general health of the department across
17 the spectrum of those five broad areas.

18 MS. LAMB: Catherine Lamb,
19 Director of PhillyStat.

20 Councilman, I just want to say
21 thank you for bringing up ARRA, because
22 it's been a great pleasure of mine that
23 actually the redesign of PhillyStat has
24 been a close collaboration between our
25 office and the Department of Finance. In

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2 particular, we've been working very
3 closely with Maari Porter, who is the
4 Recovery Officer, as well Anna Wallace,
5 who is the Deputy Budget Director. So
6 we've definitely heard lessons that she
7 learned and that the people in the
8 Recovery Steering Committee learned
9 during that and is something that we are
10 working into this model.

11 COUNCILMAN JONES: I just think
12 that we did so well, did not have any
13 major problems with the federal
14 government, which is amazing considering
15 the number of sources that those RFPs
16 were coming from, and we kind of moved it
17 through the machine of bureaucracy in a
18 way that we actually had outcomes. Now,
19 could we have done it better? Could we
20 have put the cart before the horse?
21 Could we have found ways to match
22 employment? Yeah, we could have done it
23 better, but we did it better than many
24 municipalities. Many municipalities left
25 money on the table because they were

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2 unable to quickly respond to the
3 opportunities that the federal government
4 offered in a way that was compliant with
5 their rules and regulations, of which
6 there were many.

7 So I'm just saying to you --
8 I'm just saying that we should, to coin a
9 phrase, that we should really take what
10 works and build upon it. And you can
11 call it stimulus, you can call it
12 Recovery, you can call it whatever, but
13 call it revenues to the City of
14 Philadelphia. And if we maintain that
15 model and maintain, more importantly, the
16 context that we established at the
17 federal levels to think of Philadelphia
18 first when they're coming out with a beta
19 testing of a new type of program or some
20 relief -- and there will be fewer, but
21 there will be many still, and I want us
22 just to be on the cutting edge of the
23 receipt of those kinds of dollars,
24 working with our Philadelphia delegation
25 at the congressional level.

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2 MS. LAMB: Thank you.

3 MR. NEGRIN: I wanted to add to
4 that briefly. Your point about
5 incorporating it into PhillyStat is
6 really important, because it's less about
7 the system and the process than it is
8 about asking the question and paying
9 attention to it.

10 One of the things that I think
11 we need to do as we have these
12 conversations and we can do that -- it
13 starts in PhillyStat, but it needs to
14 permeate through the departments -- is --
15 I ask my folks when we talk about new
16 initiatives and programs, I ask the
17 question every time, are there grant
18 funds available. And I don't know if we
19 all do that. And that needs to become a
20 part of what I think I'm hearing from
21 you, a part of our DNA.

22 I know Rosetta Lue from 3-1-1
23 has a Knight Foundation grant that she's
24 in consideration for right now that if we
25 win will be a substantial revenue

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2 enhancement to what she's trying to
3 accomplish in 3-1-1, and it's really
4 around citizen engagement.

5 Those opportunities are out
6 there. We need to be able to identify
7 them. She identified that on her own
8 because she had that initiative. I'm not
9 sure that we're all speaking the same
10 language around that, but we certainly
11 are.

12 COUNCILMAN JONES: Well, I can
13 tell you, I sat on the other side of this
14 table in the mike where you're sitting,
15 and every year as soon as just like
16 Christmas holidays, the Mayor of whatever
17 Administration was asking for three to
18 five percent in way of cuts. I mean, it
19 was just a part of our Administrations
20 being. And what we were able to do is
21 three to five percent in new RFPs and
22 initiatives. We would go out and find
23 that, so -- and it kind of balanced out.
24 So new money replaced old money that we
25 were asked to give back or cut or cut

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2 back on this, and those things actually
3 helped us keep pace with some of the
4 right sizing, if you would, of
5 government. We were able to look at new
6 opportunities that we were qualified for.
7 And we weren't going out and doing
8 chicken dinner sales. I don't mean for
9 us to do that, but if we're looking at --
10 for example, Councilman Kenney put forth
11 a bill about different types of
12 impervious and pervious surfaces that
13 could be rubber sidewalks, which I think
14 is just futuristic and fascinating, but
15 is there a companion grant, RFP, to
16 utilize recyclable materials somewhere
17 that we could take advantage of to kind
18 of do the beta testing for. If we think
19 like that, we can kind of augment a
20 number of budgets around the City by an
21 RFP committee that comes in a judicious
22 way and tries to make it better for the
23 department and work with the department
24 to add resources and program delivery in
25 the meantime.

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2 So I'm just -- as long as
3 you're thinking that way, I'm glad to
4 hear that.

5 Thank you, Madam Chair.

6 COUNCILWOMAN TASC0: Thank you.

7 The Chair recognizes Councilman
8 Goode.

9 COUNCILMAN GOODE: Thank you,
10 Madam Chair.

11 Good afternoon, Mr. Negrin.

12 MR. NEGRIN: Good afternoon.

13 COUNCILMAN GOODE: I'm asking
14 the same list of questions to each
15 department. The first is, what's the
16 largest contract that you will award in
17 Fiscal Year '12?

18 MR. NEGRIN: Sure. Well, for
19 us it's a little different in the
20 Managing Director's Office. There are
21 contracts that we administer that we
22 don't have direct programmatic control
23 over that we're sort of the back office
24 for. So in terms of contracts that we --

25 COUNCILMAN GOODE: I'm actually

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2 more concerned over which contract --
3 what's the largest contract that you
4 control the RFP process for.

5 MR. NEGRIN: And that's where I
6 was going to go. Of the largest contract
7 that we control and manage and control
8 the RFP process, that would be on the
9 non-profit side, it's the Health
10 Federation of Philadelphia, just under a
11 million dollars, and that's part of
12 Global Philadelphia. And they are a
13 state-certified MBE. They are currently
14 in the process of becoming a local MBE.
15 And then on the profit side, it's
16 TransPerfect Translations, is the name of
17 the company, just under 200,000, and that
18 again is part of Global Philadelphia.

19 COUNCILMAN GOODE: Let's take
20 the Health Federation contract. Is that
21 a renewable contract?

22 MR. WILSON: Yes, Councilman,
23 it is renewable.

24 COUNCILMAN GOODE: And when was
25 it last bid?

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2 MR. WILSON: In 2010.

3 COUNCILMAN GOODE: So how many
4 years have they held the contract? Just
5 for one year?

6 MR. WILSON: Correct.

7 COUNCILMAN GOODE: Can you
8 briefly describe the contract
9 requirements?

10 MR. WILSON: The requirements
11 are for the Health Federation to provide
12 language access services, including
13 telephonic, in-person interpretation,
14 proofreading and other items related to
15 interpretation services for LEP
16 populations.

17 COUNCILMAN GOODE: And so it's
18 in the process of being certified
19 locally, but has state certification?

20 MR. WILSON: Correct.

21 COUNCILMAN GOODE: And in the
22 RFP that was issued, was there a
23 participation goal that was set?

24 MR. WILSON: I believe there
25 was, Councilman. I'm not certain that it

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2 was, but I can -- if I could get back to
3 you on that and let you know.

4 COUNCILMAN GOODE: If you could
5 just submit that through the Chair.
6 Actually, this is a very interesting
7 question now. Because a DBE was actually
8 selected, what goal is actually put in
9 the contract?

10 MR. WILSON: Again, I'm not
11 certain at this point. I can
12 double-check that for you and get it back
13 to the Chair.

14 COUNCILMAN GOODE: If you can
15 submit that through the Chair as well.
16 Thank you.

17 If it had not been given to a
18 DBE as a prime contract, what subcontract
19 opportunities would you have imagined
20 within the contract?

21 MR. WILSON: What -- I'm sorry?

22 COUNCILMAN GOODE: What
23 subcontract would you imagine would have
24 been in the contract?

25 MR. WILSON: I'm going to ask

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2 David Torres, who heads up the program,
3 to speak to that.

4 MR. TORRES: David Torres,
5 Assistant Managing Director in the
6 Managing Director's Office.

7 Could you repeat the question
8 one more time?

9 COUNCILMAN GOODE: The question
10 is, if the contract had not been awarded
11 to a disadvantaged business, what
12 subcontracting opportunities would you
13 imagine to be within the contract?

14 MR. TORRES: I'm actually going
15 to backtrack a bit, because there was a
16 little bit of a misspeak. The Health
17 Federation is a non-profit that is the
18 prime on this contract. There are two
19 subcontractors. One of them is Language
20 Services Associates. Language Service
21 Associates is an OEO-certified
22 minority-owned business -- or, rather,
23 woman-owned business. So that's where
24 the ranges are coming in on that
25 contract. And I can actually say that

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2 there are 26 percent -- rather, that's
3 what's marked in ASIS, in our contracting
4 system, is 26 percent of the contract.

5 COUNCILMAN GOODE: Do you have
6 more information about the RFP?

7 MR. TORRES: The RFP, I don't
8 actually know the ranges. So I would
9 have to -- there were ranges set and we
10 can provide them to you after today.

11 COUNCILMAN GOODE: Okay.

12 MR. TORRES: I should mention
13 that TransPerfect Translation, that
14 contract is actually where they're
15 working with OEO to be registered right
16 now as we speak.

17 COUNCILMAN GOODE: Interesting
18 enough, as you provide me some more
19 information, I'd still like an answer to
20 the question, which is what actual
21 opportunities are identified within the
22 contract, not just who received it and
23 for what percentage of contract dollars,
24 but in terms of the work that's being
25 done. And where I'm going with this is

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2 simply that if it's work that had to be
3 done by disadvantaged business or had to
4 be a majority of work had to be
5 subcontract to a disadvantaged business,
6 then of course the goal would be set very
7 high. So I'm just wondering what portion
8 of the work was available for
9 disadvantaged business. And if it's 100
10 percent, then that begs the question of
11 should there have been -- what should the
12 goal have been set in the RFP and within
13 the contract. So the question first is
14 just to identify the actual
15 subcontracting opportunities that exist.

16 MR. TORRES: Well, I'd have to
17 get back to you on specific to
18 disabled-owned businesses. There were
19 ranges set on minority and women-owned
20 businesses.

21 COUNCILMAN GOODE: I was using
22 a disadvantaged business as a combination
23 of minority, woman and disabled.

24 MR. TORRES: I'd have to -- I
25 can provide you the numbers after today.

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2 COUNCILMAN GOODE: I'm actually
3 looking for to describe the contract
4 requirements and what within the contract
5 requirements exist in terms of
6 subcontracting opportunities.

7 MR. TORRES: It was spoken to
8 for the contract for -- well, the RFP
9 really was for five services -
10 over-the-phone interpretation, in-person
11 interpretation, document translation and
12 training of variety of types, like
13 cultural sensitivity, and then the final
14 piece was proofreading. So I'm not
15 actually sure -- the RFP didn't speak to
16 what percentages could actually be parsed
17 out to that type of agency.

18 COUNCILMAN GOODE: Did you have
19 for-profit firms bid on this?

20 MR. TORRES: Yes, for- and
21 non-profit.

22 COUNCILMAN GOODE: Were there
23 any disadvantaged for-profit firms that
24 bid on it?

25 MR. TORRES: Yes. We actually

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2 awarded the contract to one -- we awarded
3 the RFP to three agencies. One of them
4 was Rosales Communications, and they are
5 an OEO-certified minority-owned business.

6 COUNCILWOMAN BROWN: Point of
7 information. You said Dallas
8 Communications?

9 MR. TORRES: Rosales
10 Communication.

11 COUNCILWOMAN BROWN: Okay.

12 COUNCILMAN GOODE: So there are
13 three contracts?

14 MR. TORRES: Yeah. In the end,
15 there were five services we needed.
16 Three contracts were awarded to provide
17 those five services.

18 COUNCILMAN GOODE: For a total
19 of how much money?

20 MR. TORRES: I don't have the
21 number offhand. Actually, the Health
22 Federation contract is a little bit under
23 a million. It's at 882,000. The
24 transfer for translations contract, which
25 is for document translation, is at about

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2 185K, and the Rosales contract is at
3 43,500.

4 COUNCILMAN GOODE: For those
5 not-for-profit contracts that exceed
6 \$100,000, do we know if the firm is
7 currently in compliance with the City's
8 living wage and benefits standard?

9 MR. NEGRIN: I don't think we
10 know that right now. I'm aware that
11 you've asked that question and I know
12 that we're going to work to get you that
13 information. Obviously we're going to
14 comply with what the law requires, and I
15 certainly would expect our contractors to
16 do the same.

17 COUNCILMAN GOODE: If you could
18 just forward all that information through
19 the Chair.

20 MR. NEGRIN: Yes.

21 COUNCILMAN GOODE: Thank you
22 very much.

23 Thank you, Madam Chair.

24 COUNCILWOMAN TASCO: Thank you
25 very much.

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2 The Chair recognizes Councilman
3 Kelly.

4 COUNCILMAN KELLY: Thank you,
5 Madam Chair.

6 Good afternoon --

7 MR. NEGRIN: Good afternoon.

8 COUNCILMAN KELLY: -- Director.

9 Before I have any questions, I just want
10 to thank you and your Chief of Staff,
11 Brian Abernathy. I know I as well as
12 other members -- in fact, Councilman
13 Greenlee feels the same as I do, that
14 this is an issue with animal care that's
15 been overlooked for many, many years.
16 And I mean no disrespect for our Health
17 Commissioner, Dr. Schwarz, because he has
18 had higher priorities. He has to take
19 care of the health of all the citizens of
20 this city. I understand that. But I
21 think by transferring this, as I probably
22 urged people to do many years ago, I
23 think this is a step in the right
24 direction. I think that it's going to
25 improve animal care in the City, and I

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2 think with your support and your
3 effort -- and I know I want to just
4 mention that your Chief of Staff, Brian
5 Abernathy, has done a heck of a job.
6 He's still working on this problem, and
7 with both of your input, I know it's
8 going to be a good deal. I really want
9 to tell you that firsthand.

10 MR. NEGRIN: Thank you very
11 much.

12 COUNCILMAN KELLY: Now, since
13 it is going to be transferred, I just
14 want to get an update on the transfer
15 itself, where it is at this point.

16 MR. ABERNATHY: At the
17 beginning of the fiscal year, for the
18 first six months, the Health Department
19 started to wind down their operations of
20 Animal Care and Control as I started
21 getting my feet wet, for lack of a better
22 term. Beginning January 1, I began to
23 take more of a leadership role, both in
24 the Animal Advisory Committee as well as
25 with ACCT. That is continuing. So the

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2 Health Department and our office are
3 still jointly working on Animal Care and
4 Control. As of July 1st, beginning of
5 the new fiscal year, Animal Control being
6 fully within our purview.

7 COUNCILMAN KELLY: I keep on
8 hearing rumors to the effect that the
9 current provider of animal care in the
10 City may not renew their contract for
11 next year or the year after, and I just
12 want to know if you have made any plans
13 for alternatives.

14 MR. ABERNATHY: It is our
15 understanding that the Pennsylvania SPCA
16 would not like to renew. They have
17 agreed, however, to stay on for an
18 additional six months, January 1st. As
19 you know, Councilman, the summer is the
20 heavy month for shelter control. So they
21 have agreed to stay on through the summer
22 as we go through a transition period.

23 We're currently exploring what
24 potential options there are. Really
25 those kind of divide into two categories.

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2 One is working with a new not-for-profit.
3 As you know, there's not many
4 not-for-profits in the region that could
5 handle this type of contract. So it
6 would require us to partner with the SPCA
7 PAWS to create a new not-for-profit that
8 could bid on this type of contract. The
9 other alternative is to --

10 COUNCILMAN KELLY: How many
11 years would the contract be for?

12 MR. ABERNATHY: Well, I think
13 that's one of the questions that we need
14 to work through. For the last decade,
15 there's been four transitions in Animal
16 Care and Control. That's a long-term
17 concern. I think the continuous
18 provision of animal care is important to
19 the City and has put everyone in a
20 difficult position. The situation that
21 Dr. Schwarz took over when he came in to
22 office was very difficult, and I think
23 Izzat Melhem and his Chief of Staff, Nan
24 Feyler, did an excellent job given the
25 circumstances, as well as Sue Cosby at

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2 the SPCA.

3 My long-term goal is to make
4 sure that that type of transition doesn't
5 happen again after I'm gone and the next
6 Managing Director is here, and that's
7 exactly what we're trying to nail down
8 and figure out.

9 COUNCILMAN KELLY: Well, that's
10 refreshing to hear, I tell you. I had my
11 differences with some of the people that
12 you just mentioned, but let bygones be
13 bygones. But in any case, I wanted to
14 thank you for your effort in this, and I
15 will pledge my, of course, full support
16 in making the City the first no-kill city
17 in the East Coast, and that's what our
18 agenda is and our plan.

19 MR. ABERNATHY: Understand.
20 And thank you, Councilman. You and your
21 staff have been great to work with, and
22 it's appreciated.

23 COUNCILMAN KELLY: I'd be
24 remiss if I didn't mention another person
25 and I just saw him here today, is Tom

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2 Conway with the CLIP program. I think
3 he's done an excellent job. He has for
4 years. He's one of the guys that's been
5 overlooked, and I think not enough people
6 give him credit where he should get
7 credit. But I do think that -- I can
8 tell you from my staff and I'm sure there
9 are other Councilmembers' staffs that he
10 has performed -- he has given us an
11 excellent, excellent service over the
12 years, and I just wanted to point that
13 out. I have no complaints with
14 Mr. Conway or his department at this
15 point.

16 MR. NEGRIN: Thank you very
17 much. I know Rina is concerned that his
18 heading is getting way too big at this
19 point. She's over there pinching him,
20 I'm sure. But thank you very much. We
21 all feel the same way about Tom.

22 COUNCILMAN KELLY: Tommy owes
23 me a beer. Thank you.

24 Thank you, Madam Chair.

25 COUNCILWOMAN TASC0: You're

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2 welcome.

3 Next, the Chair recognizes
4 Councilman Greenlee.

5 COUNCILMAN GREENLEE: Thank
6 you. Thank you, Madam Chair.

7 I want to just second
8 Councilman Kelly's comments on both. And
9 this actually was the longest hearing
10 that you've had, the Managing Director
11 and the budget, that we haven't mentioned
12 Tom Conway. So pretty good.

13 Mr. Negrin, I just want to
14 bring up something you and I talked about
15 on the phone, and I know you had another
16 person in your staff -- I don't know if
17 she's here today -- that talked to me
18 about it, and that was the issue of the
19 feeding on the Parkway, feeding of the
20 people on the Parkway. And I know you, I
21 think, basically -- I just want to make
22 sure for the record I'm clear. The
23 ultimate goal is to try to find a
24 location, not just where folks can get
25 food but also to get other services. Is

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2 that basically the long-term or hopefully
3 even shorter-term goal?

4 MR. NEGRIN: I think that's
5 exactly right, but I can have Don kind of
6 update you on where we are.

7 COUNCILMAN GREENLEE:
8 Dr. Schwarz? Okay. Sure.

9 DR. SCHWARZ: Don Schwarz,
10 Deputy Mayor for Health and Opportunity.

11 Councilman, we have been
12 working to identify alternative
13 locations, and we have done the
14 background work that the City needs to
15 do, looking both at the public health
16 issues related to feeding. The Law
17 Department has worked looking at what has
18 happened in other jurisdictions around
19 the country, what would need to be in
20 place in order to be fair, both to the
21 feeders and those who eat, and to assure
22 that we could provide continuity for
23 them, but in some way regulate the space
24 where feeding occurs. We're very
25 concerned both about the quality of the

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2 food so that people aren't getting
3 sick -- many of these people have no
4 place to go -- and concerned about the
5 issues related to the environment; that
6 is, both what else is going on around
7 where feeding occurs and the cleanliness
8 and issues related to public health and
9 things like rats and other animals.

10 COUNCILMAN GREENLEE: Right.

11 DR. SCHWARZ: Any location
12 would have to be wheelchair accessible to
13 people who have any sort of mobility
14 issues.

15 So we have looked at a large
16 number of locations. There have been a
17 number of issues with them, but we've
18 done the other work and I think should be
19 able to move forward in the spring.

20 COUNCILMAN GREENLEE: In the
21 spring? Okay. That's encouraging.
22 Because we particularly hear -- I know I
23 hear, because I don't live that far from
24 there, from the Logan Square people. And
25 in fairness to them, they're not somebody

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2 that said, Get them all out and all that,
3 but they are concerned about a lot of the
4 issues you just raised and that is sort
5 of their neighborhood.

6 But you raise an interesting
7 point. You said you looked at other
8 cities. Is there one particular city or
9 a couple cities that seem to have gotten
10 it kind of right, in your opinion?
11 You're shaking your head no.

12 DR. SCHWARZ: The reason to
13 look at other cities is because many
14 cities have done it wrong. An immediate
15 response often is to simply say that the
16 good-willed individuals who provide food
17 for others are inherently wrong, and that
18 approach clearly has neither been
19 appropriate nor have the courts upheld
20 that kind of approach. We've wanted to
21 be sure that anything we did would meet
22 the legal test.

23 COUNCILMAN GREENLEE: Sure.

24 DR. SCHWARZ: And would be
25 respectful of the many people who, from

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2 their own heart, want to help others who
3 are less fortunate.

4 COUNCILMAN GREENLEE: And
5 certainly I wouldn't advocate and I think
6 most people -- I wouldn't say everybody,
7 but most people are not advocating that,
8 but I think you're right. I think
9 finding something else.

10 And what would be -- last
11 question. What would be like ideally
12 what you're looking for? You don't have
13 to give me -- I know you're not going to
14 give me a location, but the kind of
15 services if you could design the perfect
16 spot, what kind of services would be
17 provided.

18 DR. SCHWARZ: We'd like a spot
19 that is reasonably close to where feeding
20 currently goes on, so that it's not
21 perceived as an inconvenience either to
22 the feeders or those who are eating. It
23 needs to be a place where folks who are
24 coming to provide food feel comfortable
25 bringing their car, parking their car,

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2 can safely from their vehicle feed. It
3 would need to be a place where we can
4 control those who feed, because one of
5 the things we're very interested in doing
6 is assuring that those people who feed
7 are in some way permitted or certified,
8 so that we know they've been trained to
9 handle food appropriately. We would like
10 to be sure that there are public
11 restrooms available in some way and
12 running water.

13 COUNCILMAN GREENLEE: Right.

14 DR. SCHWARZ: And adequate
15 space for people in an orderly fashion to
16 both feed and eat. And then we need to
17 have a space that we can clean and a
18 space where folks both who feed and who
19 eat can be securely let in and let out,
20 if you will, or made available and people
21 can leave so that no one lingers behind
22 in a way that would be harmful to them,
23 for instance, or to the place.

24 COUNCILMAN GREENLEE: And
25 you're talking about an inside place or

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2 not necessarily?

3 DR. SCHWARZ: No. We have
4 inside feeding locations. The folks who
5 choose to feed on the Parkway have not
6 wanted to feed indoors, and their belief
7 is that many of the people who feed
8 outdoors don't wish to eat indoors.

9 COUNCILMAN GREENLEE: What's
10 the general reason?

11 DR. SCHWARZ: I don't know the
12 general reason, but I can tell you that
13 in other cities, it has been upheld by
14 the court that people who have their own
15 goodwill feed outdoors should be allowed
16 to continue to feed outdoors.

17 COUNCILMAN GREENLEE: I'm not
18 talking about the legal. I'm just
19 thinking why would people not want to be
20 inside, if nothing else, and out of the
21 elements?

22 DR. SCHWARZ: I don't know.

23 COUNCILMAN GREENLEE: Okay. I
24 know we can't answer all that today. I
25 understand. Thank you. Thank you both.

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2 Thank you, Madam Chair.

3 COUNCILWOMAN TASC0: Let me ask
4 a question before we go to Councilwoman
5 Brown. The revenue estimates for the
6 Five Year Plan include \$1.4 million a
7 year generated by the Managing Director's
8 Office starting in Fiscal Year 2012 and
9 continuing through Fiscal Year 2016 for
10 strategic marketing fees. What are these
11 fees and will this initiative require
12 City Council approval?

13 MR. NEGRIN: Deputy Mayor
14 Cutler is going to answer your question
15 in just one minute.

16 (Witness approached witness
17 table.)

18 DEPUTY MAYOR CUTLER: Good
19 morning -- afternoon. Evening almost.
20 Deputy Mayor Rina Cutler, Transportation
21 and Utilities.

22 We have a new street furniture
23 contract which was awarded a short time
24 ago, several months ago. We are
25 envisioning for this year -- and I

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2 actually brought it, so hang on a second.

3 We are expecting -- well, let
4 me back up. The previous contract, the
5 annual revenue over the past five years
6 was roughly about 532,000 a year. We're
7 expecting the new contract this year to
8 generate about 845,000. It's not a full
9 year. And in the second year, somewhere
10 between 1 and 1.5 million dollars in
11 revenue. So that is the new street
12 furniture contract. And I would like to
13 say, because we're actually very proud of
14 it, that the new street furniture
15 contract has a 50 percent DBE rate.

16 COUNCILWOMAN TASC0: Is that a
17 contract that was for three years, or how
18 is the contract structured?

19 DEPUTY MAYOR CUTLER: No. I
20 believe it's a one year with two
21 one-year renewals -- three one-year
22 renewals. You might -- there's actually
23 a little explanation here. We actually
24 went out with an RFP for a new street
25 furniture contract and got no responsive

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2 bidders. We met individually with the
3 three or four major companies that do it,
4 and the economy was just not right for
5 the kind of intense capital investment
6 that really needs to happen with a street
7 furniture contract. So based on the
8 recommendations from the industry, we
9 pulled back and said, Let's issue a very
10 short-term contract, wait for the economy
11 to improve and then go back out again
12 with the full-blown contract. So the one
13 we advertised and awarded this year does
14 not have the kind of capital investment
15 street furniture contracts tend to have,
16 which is to replace the bus shelters and
17 add new ones. So that component came out
18 of the contract. And so it was purely an
19 advertising/revenue generation until such
20 time as the economy improves and we can
21 go back out for a full-blown RFP.

22 COUNCILWOMAN TASCO: Are you
23 going to bring that to Council to discuss
24 at any point? Could we see the contract?

25 DEPUTY MAYOR CUTLER: The

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2 current one?

3 COUNCILWOMAN TASC0: The one

4 that --

5 DEPUTY MAYOR CUTLER: The
6 full-blown one is for a five-year period.

7 So we will be back. We will be in
8 Council when we go out to bid for that.

9 COUNCILWOMAN TASCO: All right.

10 Do you have an OEO component to that?

11 DEPUTY MAYOR CUTLER: Yes.
12 There is a 50 percent DBE requirement,
13 and we expect to meet it.

14 COUNCILWOMAN TASC0: Give us a
15 copy of the contract, please.

16 DEPUTY MAYOR CUTLER: The
17 current one?

18 COUNCILWOMAN TASC0: The
19 current one.

20 DEPUTY MAYOR CUTLER:

21 Absolutely.

22 COUNCILWOMAN TASC0: Thank you.

23 Mr. Negrin, some time ago we
24 had a meeting over in Logan. There was a
25 meeting in Logan, and you offered to put

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2 up surveillance cameras. Did those
3 cameras go up?

4 MR. NEGRIN: They did. I
5 offered to put them up within 30 days,
6 and I know they were up before that.

7 COUNCILWOMAN TASC0: So is
8 there any way we could have you review
9 those cameras to see -- because the
10 problem over there is dumping. Have we
11 utilized the cameras to see if we could
12 identify those people who are dumping?

13 MR. NEGRIN: Yes. Tommy Conway
14 has actually followed through on that for
15 me. I could ask Tommy to come up and
16 address that specifically.

17 COUNCILWOMAN TASC0: There is
18 another site. I think I may have sent
19 you an e-mail, Newtown Road.

20 MR. NEGRIN: Yeah.

21 COUNCILWOMAN TASC0: It's cost
22 us a lot of money for cleanup. The
23 community group that used to do the
24 cleanup is not operating because of the
25 age of the participants. So we need

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2 something. It's a terrible place in
3 terms of dumping.

4 MR. NEGRIN: Understood.

5 (Witness approached witness
6 table.)

7 COUNCILWOMAN TASCO: Hey, Tom.
8 Thank you so much.

9 MR. CONWAY: You're welcome.
10 Thomas Conway, Deputy Managing Director.

11 With regards to the
12 surveillance cameras being placed by, I
13 believe it was, a church off of Roosevelt
14 Boulevard, we had them placed there
15 probably about 30 days. We did not catch
16 anybody in -- we didn't catch any license
17 plates with regards to apprehension of
18 the individuals dumping. It is a wide
19 street. It's a wide area. The cameras
20 are only really good when you're at a
21 dead-end location, whereas you can see
22 the car either getting down to the
23 location, short dumping, either turning
24 around.

25 In Pennsylvania, we only have

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2 the license plates on the back of the
3 vehicle. So it's very hard to apprehend
4 short dumpers, all short dumpers, I
5 should say, with regards to the vehicles.
6 Therefore, we didn't catch anybody at
7 that location.

8 COUNCILWOMAN TASC0: But you
9 did see someone?

10 MR. CONWAY: We did place the
11 cameras there and we did clean up the
12 location. We've kept an eye on it. This
13 is the location that we do have a weed
14 killer contract with regards to the
15 outskirts of the Jersey barriers in that
16 location.

17 COUNCILWOMAN TASC0: Okay. All
18 right. Thank you very much.

19 MR. CONWAY: You're welcome.

20 COUNCILWOMAN TASC0: The Chair
21 recognizes Councilwoman Brown.

22 COUNCILWOMAN BROWN: Thank you,
23 Madam Chair.

24 Quick follow-up to Councilman
25 Goode's questions. On the \$1 million to

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2 the Health Federation, is that a local
3 non-profit?

4 MR. WILSON: Yeah, I believe it
5 is. Yes, I believe they are.

6 COUNCILWOMAN BROWN: Might you
7 know the name of the Executive Director?
8 I'm only checking to see if it's the
9 same.

10 COUNCILWOMAN TASC0: Could you
11 speak into the mike, please, to answer
12 your questions.

13 And Councilwoman Brown, is your
14 mike on?

15 COUNCILWOMAN BROWN: Yes. Yes.
16 Yes.

17 COUNCILWOMAN TASC0: Would you
18 speak into it, please.

19 COUNCILWOMAN BROWN: Certainly.

20 COUNCILWOMAN TASC0: Thank you.

21 COUNCILWOMAN BROWN: You're
22 welcome.

23 MR. NEGRIN: So just for the
24 record, the name was Natalie Levkovich.

25 COUNCILWOMAN BROWN: So totally

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2 off topic but also can be very revealing.

3 As a part of the review process, do you
4 look at composition of Boards, the makeup
5 of the Board of non-profits that
6 ultimately do business with the City?

7 MR. WILSON: Not that I am
8 aware of.

9 COUNCILWOMAN BROWN: Okay.
10 Well, the reason why I raise that
11 question is because I know that there's
12 some non-profits that the City does
13 business with and the Board in no way
14 looks like the City of Philadelphia, and
15 that raises red flags for me, because
16 then if you reach deep, are they
17 Philadelphia residents, do they care
18 about Philly. Yet you have a non-profit
19 getting these huge profits in the City of
20 Philadelphia and they don't look like the
21 City where they're being fed. So that's
22 why I raise the question.

23 And so what I hear you saying
24 is that it is not a part of the standard
25 operating procedure of department heads

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2 to look at Boards. It's simply not
3 something that you think about or look
4 to?

5 MR. WILSON: No, not very
6 often. I mean, not that I know at all.

7 COUNCILWOMAN BROWN: Okay.
8 That's fair.

9 This is totally off topic and
10 not something I typically ask about or,
11 quite frankly, care about, but we get
12 this type of question in the office, so I
13 need to raise it. It's even awkward for
14 me to ask it, but I have to because we've
15 gotten -- it's a constituent service
16 matter.

17 Over the past several years, my
18 office has consistently received calls
19 regarding the rampant increase in raccoon
20 population going on in many of our
21 communities, particularly those areas
22 around the park. So provide some detail
23 regarding the transfer of Animal Control
24 to your department.

25 MR. ABERNATHY: Did you want me

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2 to address the raccoon question

3 specifically or...

4 COUNCILWOMAN BROWN: Both.

5 MR. ABERNATHY: Raccoons

6 specifically are actually considered wild

7 animals by the state, and our Animal

8 Control officers are encouraged not to

9 deal with raccoons unless they're

10 actually physically within a home.

11 COUNCILWOMAN BROWN: Or a

12 backyard or an alley?

13 MR. ABERNATHY: In a backyard

14 or an alley, the state actually

15 encourages our Animal Control officers

16 not to engage.

17 COUNCILWOMAN BROWN: Is that

18 right?

19 MR. ABERNATHY: Yes, ma'am.

20 COUNCILWOMAN BROWN: So then

21 the standard operating procedure for a

22 property owner to do is what?

23 MR. ABERNATHY: There's a

24 couple -- they can certainly call 3-1-1.

25 It also depends on the specific

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2 circumstance. Raccoons are attracted to
3 open garbage. So there's certainly steps
4 that -- we're working on putting together
5 a pamphlet for property owners to follow
6 to deal with the problem of what attracts
7 a raccoon to a specific property. And
8 the SPCA is working with us on putting
9 together that information, which we'll
10 certainly distribute when we have it.

11 COUNCILWOMAN BROWN: So the
12 when, when do you expect that? And I'm
13 asking because we get the question, and
14 neighbors who are terrorized by the sight
15 of one anyhow really do not know what to
16 do.

17 MR. ABERNATHY: I will get you
18 a timeline. I don't have a timeline
19 today.

20 COUNCILWOMAN BROWN: Okay.

21 MR. NEGRIN: And I'll just
22 comment, because I don't think this is
23 all that silly, because Brian has
24 educated me on this quite a bit.
25 Raccoons are dangerous animals. If they

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2 are trapped or cornered around someone's
3 property, they should call and make sure
4 that -- I mean, we'll try to do whatever
5 we can. So the state requires us or
6 encourages us not to be involved with
7 them, but to the extent that they're
8 going to have somebody there and try to
9 help them with their issue, the City will
10 show up and try to help them. I mean, I
11 don't want --

12 COUNCILWOMAN BROWN: You said
13 the state will?

14 MR. NEGRIN: The City will.
15 And it's a fine line, because we're not
16 responsible and we're not going to sit
17 here and say that we are, because the
18 state specifically tells us not to be.
19 But if it's a dangerous situation and
20 you've got a raccoon stuck or under your
21 porch or in your yard and it's an issue
22 that you need help with, you can call the
23 City of Philadelphia.

24 COUNCILWOMAN BROWN: Okay.

25 MR. ABERNATHY: Absolutely.

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2 And I'm going beyond that. Property
3 owners are also encouraged to call
4 exterminators. There's actually
5 exterminators that specialize in raccoon
6 removal.

7 COUNCILWOMAN BROWN: I didn't
8 know that. And so then what type of --
9 after the transfer, what type of changes
10 will be made to Animal Control?

11 MR. ABERNATHY: At the outset,
12 very few changes will be made. The SPCA
13 will continue to operate the Animal Care
14 and Control Center on Huntingdon Avenue.
15 Going forward, as the SPCA leaves the
16 contract, we will either put together a
17 new not-for-profit or provide another
18 alternative situation to provide care and
19 control for animals.

20 COUNCILWOMAN BROWN: Okay.
21 Well, thank you for that. That's it for
22 me. Thank you very much.

23 MR. NEGRIN: You're welcome.

24 COUNCILWOMAN BROWN: Thank you,
25 Madam Chair.

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2 COUNCILWOMAN TASCO: Thank you
3 very much.

4 The Chair recognizes Councilman
5 Jones.

6 COUNCILMAN JONES: Thank you
7 again and once again for your endurance
8 to be able to take this once a year or
9 twice a year or whatever it is.

10 A couple of quick questions.
11 In light of post 9/11 and one of our own
12 being selected from the emergency
13 management team to go and be a part of
14 the federal team, which speaks well of
15 the City of Philadelphia, what are our
16 current agreements with the eight
17 counties surrounding Philadelphia? A lot
18 of light was drawn to our commitment to
19 Camden and in fact wanted to get a sense
20 of what those interlocking relationships
21 are.

22 MR. NEGRIN: The mutual aid
23 agreements.

24 COUNCILMAN JONES: And also
25 thank you guys, and particularly the

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2 Deputy Mayor there, for when the floods
3 hit Main Street the first time and the
4 second time, a freshman Councilman kind
5 of panicked. I was like Paul Revere, The
6 flood is coming, the flood is coming, and
7 had to be educated that you don't --

8 MR. NEGRIN: The freshman
9 Managing Director did as well, just so
10 you know.

11 COUNCILMAN JONES: Well, I
12 don't feel alone. Because I had to be
13 educated about the fact that you don't
14 start the fire trucks pumping until the
15 river starts to recede. And so I'm
16 yelling at the top of my voice on the
17 phone saying, You know, when are we going
18 to start those trucks pumping water out
19 of there? And I want to thank you for
20 calmly explaining to me that if you pump
21 it out and it's still pouring back in, it
22 will still come back in. And so those
23 physics and engineering specs were
24 appreciated by a freshman. So thank you.

25 But I would like to know about

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2 those emergency management agreements
3 and, in light of that, offer some
4 suggestions about working with District
5 Councilpeople and Councilpeople at-large
6 so that at least we don't get in the way
7 and so that there is an official
8 communication.

9 Now, unofficially you did a
10 great job. You know how to reach me,
11 talked me off of the ledge, the whole
12 bit, but it just underscores and brings
13 to light that as an elected body, people
14 come to us for information, and that
15 information should at least be accurate.

16 (Witness approached witness
17 table.)

18 DEPUTY MAYOR GILLISON: Thank
19 you, Councilman. Everett Gillison,
20 Deputy Mayor for Public Safety.

21 Yes. We have a number of
22 different memorandums of understanding
23 with our five county and, as you said,
24 eight area, because the MOUs extend not
25 only to the counties, Montgomery, Bucks,

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2 Delaware and Chester, but also New
3 Jersey, Maryland and Delaware. We have
4 been working together with the Southeast
5 Task Force where all of these things in
6 an emergency management situation is
7 practiced. We've been part of that --
8 since I took this chair, we've been part
9 of that. It's been going on since at
10 least 2006 with the previous
11 Administration, highlighting what we're
12 doing in emergency management. But that
13 is something that is ongoing. The Mayor
14 has made it a point to work with our
15 suburban counterparts, part of the Metro
16 Caucus that he has not only been part of
17 but helped form. And so from an
18 executive to executive positions, those
19 things are going on. And at the
20 operational level, we maintain an active
21 participation in the Task Force as we go
22 forward.

23 The benefit has been immense.
24 We get quite a bit of money through grant
25 money through our UASI, allocations from

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2 Homeland Security. I hope one day to be
3 able to announce some of the things we've
4 been working on for the past three years
5 that are just about ready to come into
6 fruition, which I think will place us in
7 a very key role for homeland security and
8 emergency management for this area.

9 Philadelphia is the core, and
10 we are taking a lot of steps to make sure
11 that we work together across the area and
12 across the jurisdictions. So those
13 things happen. They happen on -- we
14 train with people. We communicate. They
15 have asked me to come out on many
16 occasions, because obviously all of these
17 folks, whether it's Police, Fire or
18 Emergency Management, report to me. So I
19 go out quite often. Not only do I talk,
20 but we help train and do tabletop
21 exercises. All of that happens and
22 happens on a regular basis. But I'll be
23 glad to not only give information to the
24 Chair, but I can provide it to the
25 District Councilpersons or even anyone,

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2 if you'd like to see a list of things
3 that are coming up, if you'd like to take
4 a look at it.

5 COUNCILMAN JONES: I guess,
6 Mr. Gillison, what I'm thinking more of
7 is a briefing that could be provided for
8 Council. I share borders with other
9 counties. You talk about Montgomery
10 County, Delaware County that we share
11 borders with. Councilwoman Blackwell,
12 Councilwoman Tasco shares borders with
13 Cheltenham. It would be interesting to
14 know what kinds of relationships we have.

15 We have a major water treatment
16 plant on City Avenue. If in fact we were
17 overwhelmed for some reason, is there a
18 relationship with the surrounding
19 counties to render assistance to us?

20 DEPUTY MAYOR GILLISON:

21 Correct.

22 COUNCILMAN JONES: And
23 conversely, is there a relationship where
24 if they're overwhelmed. And so to
25 understand, without jeopardizing any

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2 homeland security stuff, that a local
3 Councilperson is educated about that.

4 Second, in cases of disaster --
5 and, God, please let there not be any --
6 but what is the role of a Darrell Clarke
7 in the 5th Councilmanic District? Where
8 would he report to? How does he plug in
9 to be helpful, if nothing more than to
10 dispense information? I know in your
11 mind you're saying, Just get out the way,
12 but sometimes --

13 DEPUTY MAYOR GILLISON: I would
14 never say that.

15 COUNCILMAN JONES: But
16 sometimes as the public reaches out to a
17 Councilman Clarke for information because
18 they assume he would know, it is good
19 that he's not giving false information or
20 bad information or creating a panic. And
21 so if we're given those kinds of -- and
22 you've done a good job with that in the
23 past, but I think it's time to formalize
24 that.

25 DEPUTY MAYOR GILLISON: Okay.

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2 COUNCILMAN JONES: And figure
3 ways that Councilman Clarke knows that if
4 something happens -- I mean, I had a
5 disturbing request. Homeland Security
6 wanted to know my address post the
7 shooting of the Congresswoman, which, you
8 know, we live in a real world now, but
9 it's important for Councilman Clarke or
10 Councilman Greenlee and others to say,
11 All right, in cases like this, you might
12 want to report to this recreation center,
13 this police center to be briefed, and
14 that kind of planning prevents chaos in
15 bad situations, because all of us know
16 what our roles and relationships are.

17 DEPUTY MAYOR GILLISON: I will
18 make sure that that happens. That
19 briefing will happen, and I will give you
20 the normative stuff. I think in the
21 catastrophic area what normally happens
22 is, we do have these programs and plans
23 that go into effect, and mutual aid is
24 ready to go in case of catastrophic
25 matters. But I believe that I will take

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2 that to heart and I will provide
3 something to the Chair.

4 COUNCILMAN JONES: We've had a
5 shared experience. It was slightly less
6 than catastrophic, but during the SEPTA
7 strike, we had a railcar come and catch
8 fire. Passengers were evacuated safely.
9 The emergency management team was on the
10 ground, boots on the ground. The Fire
11 Department, everyone -- and I had an
12 opportunity to share that with you, and
13 we were able to put out some positive
14 information, because people believed, Oh,
15 was this subterfuge, sabotage. We were
16 able to dispel that. It was just an
17 electrical fire.

18 DEPUTY MAYOR GILLISON: Right.

19 COUNCILMAN JONES: But in that
20 case, it worked well. In other -- and it
21 was less than catastrophic, but it was
22 pretty bad. We had to divert traffic. I
23 mean, all of those things and steps that
24 go into that in a way that could be
25 organized a bit better. It happened

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2 well, but suppose there were five of them
3 at once.

4 DEPUTY MAYOR GILLISON: We're
5 ready, and we actually practiced -- did
6 those kinds of things.

7 COUNCILMAN JONES: We just
8 don't want to be in the way.

9 DEPUTY MAYOR GILLISON: I
10 agree. But I will definitely get that
11 briefing to you.

12 COUNCILMAN JONES: Thank you.

13 DEPUTY MAYOR GILLISON: Thank
14 you.

15 COUNCILMAN JONES: Thank you,
16 Madam Chair.

17 COUNCILWOMAN TASCIO: The Chair
18 recognizes Councilman Clarke.

19 COUNCILMAN CLARKE: Thank you,
20 Madam Chair.

21 Good afternoon.

22 MR. NEGRIN: Good afternoon.

23 COUNCILMAN CLARKE: You may
24 have touched on this. I'm sorry for not
25 being here during your entire testimony.

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2 Where are we with the vacant lot program
3 in terms of timeline, when we'll be able
4 to talk to people about the issues?

5 MR. NEGRIN: It will be
6 interesting for me to see if that's
7 changed in the last 20 minutes since he
8 talked about that last time.

9 MR. ABERNATHY: We're still
10 working through a number of details, and
11 hopefully within the next month or so, we
12 can come back to City Council and provide
13 those details as we look through some of
14 the policies and the recommendations we
15 originally put together and some more
16 meat on the bones that we've already
17 outlined.

18 COUNCILMAN CLARKE: Well,
19 details to the level that a person that
20 was given a property under the old Gift
21 Property Program and somehow through the
22 changes of policy over the years are now
23 being told that they must pay fair-market
24 value for a lot that they have taken care
25 of for the last four or five years.

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2 That's the specificity --

3 MR. ABERNATHY: Sure. We
4 can -- if there's a specific case, I
5 think both Bridget and I --

6 COUNCILMAN CLARKE: Not a
7 specific case. I don't want to deal with
8 specific cases.

9 MR. ABERNATHY: Any application
10 that was put through VPRC and already
11 approved by VPRC should be transferred
12 under the original terms and conditions
13 that were originally agreed to.

14 COUNCILMAN CLARKE: Okay.

15 MR. ABERNATHY: That should be
16 happening.

17 COUNCILMAN CLARKE: Has that
18 been communicated to VPRC?

19 MR. ABERNATHY: Yes. That
20 should be happening as we speak.

21 COUNCILMAN CLARKE: So anybody
22 that had this old agreement --

23 MR. ABERNATHY: And certainly
24 there's a backlog, as everyone in
25 Chambers knows. There's a significant

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2 backlog.

3 COUNCILMAN CLARKE: But that's
4 a written policy?

5 MR. ABERNATHY: Yes. A memo
6 went out over a month ago to that effect.

7 COUNCILMAN CLARKE: Okay.
8 Great. And moving forward, the specifics
9 as we move forward will be spelled out in
10 the next --

11 MR. ABERNATHY: I would at
12 least provide more specifics than we
13 already have in the next -- within the
14 next four weeks or so. Obviously there's
15 a lot of moving parts here, and as
16 everybody knows and we're trying to -- we
17 want to get our I's dotted and our T's
18 crossed and get it right the first time.

19 COUNCILMAN CLARKE: All right.
20 In terms of fair-market sales, will there
21 be consistency as it relates to the
22 appraisal process? And I tell you why I
23 ask this question. I have an individual
24 who is currently going through a process
25 of acquiring a property, one lot

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2 property, one house lot, vacant lot in
3 Strawberry Mansion. They're being told
4 that it's \$9,000. Three blocks away the
5 City is moving to acquire a similarly
6 sized parcel, probably the same size, and
7 the appraisal is coming back at \$16,000.

8 So my question is, how does the
9 appraisal process work as it relates to
10 different agencies? One is the RDA. The
11 other is VPRC, which is housed under
12 OHCD.

13 MR. ABERNATHY: And --

14 COUNCILMAN CLARKE: Because
15 part of this strategy was supposed to
16 have some consistency as it relates to
17 guidelines and policy,
18 disposition/acquisition. So right now,
19 I'm dealing with two properties, same
20 size, three blocks away, and you got a
21 difference in this particular case of
22 \$7,000.

23 MR. ABERNATHY: Sure. And
24 there could be a number of reasons for
25 the differences in those appraisals,

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2 including location, the surrounding --

3 COUNCILMAN CLARKE: Three
4 blocks away.

5 MR. ABERNATHY: Understood, but
6 depending on the properties directly
7 adjacent.

8 Having said that, appraisals
9 should be consistent throughout the
10 agencies, and we are creating an appeals
11 process for it, because appraisals are
12 subjective. There's going to be times
13 where those appraisals are -- could be
14 interpreted differently. The
15 circumstances could be interpreted
16 differently, and we need to --

17 COUNCILMAN CLARKE: But, Brian,
18 that's what we're supposed to be
19 eliminating, because that's been a
20 challenge as it relates to the years that
21 I've been involved in this, which has
22 been a lot. You had these appraisals,
23 one block \$50,000 and -- give you the
24 case of the Cecil B. Moore area, 33rd
25 Street, somebody bought a lot for \$4,500.

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2 The City goes out and appraises it. They
3 want to sell a similarly sized lot for
4 \$30,000.

5 So a part of the issue as it
6 relates to what we've asked you guys to
7 do and you guys have taken it upon
8 yourself to do is consistency in the
9 appraisal process, disposition.

10 MR. ABERNATHY: Councilman, I'm
11 agreeing with you. We need to come up
12 with consistent appraisal processes and
13 consistent appraisals across the board
14 and across different agencies. At times
15 there are going to be situations where
16 your constituent or you disagree with the
17 appraisal that the City comes back with,
18 and we need to have a release valve, and
19 that's something that we don't have
20 today. I think most members of Council
21 have one situation or another where the
22 RDA or Public Property or PHDC come back
23 with an appraisal that you think is out
24 of whack, and to date, there hasn't been
25 a relief valve to take that complaint to.

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2 We need to create that release valve
3 to --

4 COUNCILMAN CLARKE: I don't
5 want a relief valve. I want a standard
6 put in place that you will come up with
7 consistent appraisals based on the
8 size --

9 MR. ABERNATHY: We're going to
10 do both, Councilman. What I'm saying is,
11 we're doing both. Because we might agree
12 90 percent of the time. There's going to
13 be 10 percent where we're going to have a
14 disagreement, and we need to find a way
15 to deal with that disagreement.

16 COUNCILMAN CLARKE: When will
17 that happen?

18 MR. ABERNATHY: Again, that --

19 COUNCILMAN CLARKE: The reason
20 why I keep pressing this, because I get
21 my NTI acquisition form that was sent to
22 me two days ago and I'm getting ready to
23 sign it and actually saw that it was
24 \$44,000 was the total, but 20 of it was
25 attributed to advertisement, which is

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2 another issue, but the \$16,000 is like
3 where is that coming from? So I now have
4 to make a decision do I sign off on an
5 appraisal that I think that's inaccurate
6 because we're trying to sell something to
7 somebody down the street for 9,000 or run
8 the risk of blowing the deal where we're
9 going to build 30 houses on the 2800
10 block of Oakdale Street? So it's a
11 little sense of urgency.

12 MR. ABERNATHY: I understand
13 that, Councilman, and in that case
14 specifically, we're not going to have a
15 policy that's going to be able to address
16 your case specifically in a timely manner
17 that's going to be able to solve your
18 problem. I'm not going to pretend that
19 we're going to.

20 COUNCILMAN CLARKE: Do I go to
21 the release valve?

22 MR. ABERNATHY: And, again,
23 we're putting that in place, Councilman.
24 We don't have it right now. We can take
25 a look at both appraisals --

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2 COUNCILMAN CLARKE: Let me cut
3 to the chase. What do I do with this
4 situation?

5 MR. ABERNATHY: That's why I
6 said, if you were interested in a
7 specific circumstance, let's take a look
8 at it and see if we can't solve it.

9 COUNCILMAN CLARKE: All right.
10 Okay.

11 With respect to one of the
12 issues that unfortunately I have to deal
13 with on a consistent basis, this whole
14 vacant lot, maintenance, cleaning, the
15 whole nine yards, and I always see in the
16 testimony a reference to CLIP, which for
17 years we've talked about having a
18 citywide strategy utilizing CLIP, but we
19 just can't afford it. At some point I'd
20 like to see us come up with something
21 under CLIP and above where we are, so
22 maybe we can expand our opportunities.

23 MR. ABERNATHY: Sure. I
24 actually think if I can get Bridget to
25 come up and kind of talk through our

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2 enforcement strategy.

3 COUNCILMAN CLARKE: That's a
4 follow-up to this particular question,
5 but sure.

6 (Witness approached witness
7 table.)

8 COUNCILMAN CLARKE: What I'd
9 like to have from you all, if you go back
10 this far in terms of detailing the
11 equipment, the amount of equipment, be it
12 vans for transport, heavy equipment or
13 all of the things that the guys with
14 those trucks with the big box -- I don't
15 know what you call them -- to carry all
16 of the equipment that the vacant lot
17 guys, as we refer to them as, the
18 equipment that they had ten years ago
19 versus where we are. The assumption is
20 that it's decreased dramatically based on
21 what I've heard from the guys and all the
22 people associated with the program, in
23 addition to which the reduction in person
24 power over that same year, ten-year
25 period, and I'd like to see that in

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2 writing. You can give me an answer now,
3 because I want to start documenting some
4 of the reductions as it relates to
5 equipment and person power.

6 MR. CONWAY: When we first
7 started the vacant lot program back in
8 2001, 2002, we had roughly 100 people for
9 the vacant lot program alone. Right now
10 we have about 42.

11 With regards to the equipment
12 that you're talking about, they're
13 enclosed trailers that we have that we
14 use for transporting the equipment. The
15 equipment consists of swishers, which are
16 basically weed whackers on wheels; DR
17 mowers, which you see commercials on TV,
18 which are them orange machines that work
19 very well; and just regular weed
20 whackers. And then we do have one
21 front-end loader, one dump truck and four
22 trash trucks, but that's for the entire
23 programs that we have, including CLIP,
24 vacant lot and the community services
25 program.

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2 COUNCILMAN CLARKE: What's the
3 reduction from 2001 to 2011?

4 MR. CONWAY: For
5 equipment-wise?

6 COUNCILMAN CLARKE: All of
7 those categories. And if you don't have
8 the specific --

9 MR. CONWAY: Yeah. I don't
10 have all the specifics right now, but a
11 lot of the equipment is still the same
12 equipment that we've had from the very
13 beginning.

14 COUNCILMAN CLARKE: Same
15 amount?

16 MR. CONWAY: Well, no. We've
17 lost equipment. We have lost equipment.

18 COUNCILMAN CLARKE: That's what
19 I'm asking. I'm trying to see the
20 decline in your capability. Because, I
21 mean, you know, I do talk to these guys.

22 MR. CONWAY: We can -- I can
23 provide you with the information, but,
24 again, I did put a wish list together for
25 Fleet Management.

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2 COUNCILMAN CLARKE: I need to
3 get that document and send it through the
4 Chair on all of the equipment and
5 personnel losses for the last ten years.

6 MR. CONWAY: Okay. The one
7 good point is with regards to Fleet
8 Management, I will put a shout-out to
9 Jimmy Muller. Our power washers for the
10 Anti-Graffiti Network when I started in
11 1996, we still have two of them
12 operational, which is pretty impressive.

13 COUNCILMAN CLARKE: Fleet
14 Management is good.

15 MR. CONWAY: Fleet Management
16 did a good job with maintaining what we
17 did have.

18 COUNCILMAN CLARKE: They're
19 holding my ten-year-old City car together
20 with public help.

21 MR. CONWAY: Well, thank God
22 for that.

23 COUNCILMAN CLARKE: Emphasize
24 ten years old.

25 COUNCILWOMAN TASCO: Can I have

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2 a point of information on that?

3 We get a lot of complaints
4 about the businesses with graffiti on
5 their buildings, and I understand that
6 they are responsible for removing the
7 graffiti. If they don't have the
8 wherewithal to do it, is there any way we
9 could charge them for that service?

10 MR. CONWAY: The Anti-Graffiti
11 Network is a free service for private as
12 well as public businesses. They can
13 contact us through 3-1-1 if they want to
14 speak to a live operator, visit our
15 website at www.phila.gov/qualityoflife.

16 COUNCILWOMAN TASC0: So you
17 provide the service already to the
18 public?

19 MR. CONWAY: Yeah, free of
20 charge, within a couple days.

21 COUNCILWOMAN TASC0: Okay.
22 Thank you.

23 MR. NEGRIN: I always hold
24 Tommy to 24 hours. So you can tell that
25 to folks.

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COUNCILMAN CLARKE: I do want to commend the graffiti guys and the vacant lot guys based on their capabilities in terms of resources. Graffiti responses have been great. Although I would like to see us change our strategy, because this is an ongoing issue as it relates to we clean it, it's like a game, they come out the next day, they tag it, we clean it. And as you say, we're providing the service for free, so it is taxpayers' dollars. The old days we had undercover police officers. For whatever reason we don't do that anymore. Graffiti is at its highest point in quite some time. One, it would be nice if we can give some thought to that. Maybe not a police officer but maybe a SWEEPs officer so you don't want to take people off the street dealing with graffiti that need to be out on the street dealing with serious crime. And this recommendation that I made to somebody in government not too long ago,

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2 that we've seen successful cases where
3 there was an issue or a person who had
4 committed a crime or a person that has
5 done one thing or another where there's a
6 small reward put in the paper, a picture,
7 and people -- if they know, they want the
8 money, they're going to tell. And the
9 thought was that a significant number of
10 these graffiti artists, if that's what
11 you want to call them, have very specific
12 tags, particularly the ones that have
13 these things all over the place. People
14 know who they are. I thought that it
15 might make sense for us to possibly get
16 some of the most prolific taggers, put a
17 picture in the paper, pay a small fee,
18 probably wouldn't be as much as one
19 graffiti removal given the manpower
20 associated with the removal, and just see
21 what happens, see if we get a call, a
22 tipster saying, You know what, I'm
23 telling on this guy, I don't even like
24 this guy, and I can pick up a couple of
25 bucks if I tell on him.

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2 I was given information three
3 days ago about where apparently a number
4 of them congregate before they come out
5 and assault the neighborhood. So people
6 know who these guys are. So I'm thinking
7 maybe we can get a little creative in
8 terms -- because this tit for tat, I
9 mean, you know, it's like a game. They
10 say, I'm going to tag it. We come out,
11 we clean it. We got four or five guys.
12 At some point we need to get outside of
13 the box on this one.

14 MR. CONWAY: We do work with
15 the Police Department's Neighborhood
16 Services Division with regards to short
17 dumping and graffiti surveillance. With
18 regards to short dumping surveillance,
19 we've issued 65 tickets, \$300 tickets
20 within the last two years, and the Police
21 Department's Neighborhood Services
22 Division made about 43 arrests for short
23 dumping last two years.

24 Graffiti, last year I think in
25 2010 was about 15 arrests for graffiti

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2 vandalism. And, again, it's a big city.
3 We only have about four officers that we
4 coordinate with.

5 COUNCILMAN CLARKE: I
6 understand. I'm not suggesting --

7 MR. CONWAY: That's kind of
8 tough.

9 COUNCILMAN CLARKE: That's how
10 we cleaned it up before. We had very
11 aggressive police officers, undercover,
12 and we cleaned that issue up. And then
13 once it got resolved, we took the
14 officers away and put them back out on
15 the street to fight crime. And it is
16 back in a big way. I mean, it's not in
17 just, quote/unquote, challenged
18 neighborhoods. It's everywhere.

19 MR. CONWAY: It's throughout
20 the whole City. And then the CLIP
21 removal is our biggest deterrent at this
22 time. As soon as it's seen, we ask
23 people to report it, let us know where it
24 is, because we do have a pretty rapid
25 response with regards to removal.

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2 COUNCILMAN CLARKE: You guys
3 respond. We call you all the time, but
4 at some point, I really don't want to
5 have to call you about that. You know
6 what I mean? So if we can -- you and the
7 Managing Director can kind of give us a
8 written response to the possibility of
9 looking at other strategies associated
10 with that, please.

11 MR. CONWAY: Sure.

12 COUNCILMAN CLARKE: Thank you.

13 Thank you, Madam Chair.

14 COUNCILWOMAN TASCO: The Chair
15 recognizes Councilman Jones.

16 COUNCILMAN JONES: My last
17 question, I promise. Thank you, Madam
18 Chair.

19 My last question, I promise.
20 And Councilman Clarke seems to be a real
21 authority on tagging. I'm wondering in
22 his youth in North Philly if he has some
23 practical experience there.

24 MR. NEGRIN: I was wondering
25 the same thing.

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2 COUNCILMAN JONES: You seemed
3 like an expert, Councilman Clarke, on the
4 whole tagging thing from back in the day.

5 All right. What I wanted to
6 ask about finally -- and this is wishful
7 thinking. Councilwoman Tasco brought
8 this issue up when I first came on board,
9 and I joined her in my end of the
10 district, alleys and driveways. I just
11 thought we would end on that note to
12 figure out is there light at the end of
13 the tunnel budgetarily by way of alley
14 lights, by way of alley cleanings and by
15 way of potential projects such as
16 driveway patching, paving or whatever.

17 DEPUTY MAYOR CUTLER:

18 Councilman Jones, Rina Cutler, Deputy
19 Mayor, Transportation and Utilities.

20 We have been -- we sent a crew
21 out on the street for the last, I think,
22 six weeks just trying to get our arms
23 around costs, and we expect within the
24 next 10 to 14 days to be able to come up
25 with at least some estimation based on

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2 whether it's a row house versus a single
3 versus square footage on the driveways.

4 So we actually are trying to finish an
5 analysis now that would highlight what
6 the costs really are in terms of moving
7 forward, and we have committed to
8 Councilwoman Tasco that we would come
9 back and try to create a process once we
10 had our hands around the costs for this.
11 So we will make sure that we get you in
12 that loop as well.

13 COUNCILMAN JONES: Thank you.

14 We realize the realities of our budget,
15 but wanted to keep this on the radar.

16 COUNCILWOMAN TASCO: It's on.

17 COUNCILMAN JONES: It's on the
18 radar?

19 COUNCILWOMAN TASCO: We're
20 working on it.

21 COUNCILMAN JONES: I appreciate
22 it. Because we think both in the case of
23 alleys and the way of driveways, regular
24 citizens but also our first responders
25 have to travel those alleyways, and they

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2 need to be lit, they need to be safe for
3 both the residents and someone, God
4 forbid, a fireman or a policeman that has
5 to go through them. And so it's on our
6 radar, and I'm glad it's on yours.

7 COUNCILWOMAN TASCO: We've been
8 working with the Streets Department and
9 Ms. Cutler on this issue for the last
10 three or four -- couple of months.

11 COUNCILMAN JONES: Thank you,
12 Madam Chair.

13 COUNCILWOMAN TASCO: Thank you.

14 The Chair recognizes
15 Councilwoman Brown.

16 COUNCILWOMAN BROWN: Bike
17 sharing. There's a growing interest
18 around those who are brave enough to ride
19 bikes and their advocacy groups, who care
20 about the notion of bike sharing and the
21 likes. Could you just provide us an
22 update on where we are as a city with
23 bike lanes and all that type of response
24 to that growing constituency group.

25 DEPUTY MAYOR CUTLER: Yes,

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2 Councilwoman. As you are aware, last
3 year we did a pilot and made permanent
4 segregated bike lanes on Pine and Spruce
5 Street. We have just finished an
6 analysis to try to identify two streets
7 running north/south for the next set of
8 bike lanes. And so we will shortly go
9 into the community and start working with
10 the community groups for the next two.

11 Long term, there is a new bike
12 plan, if you will, that came out of a
13 collaborative effort with the City
14 Planning Department. And so I'm happy to
15 get you a copy of that, which sort of
16 lays out the planning process for the
17 next several years in terms of additional
18 bike lanes.

19 COUNCILWOMAN BROWN: Okay.

20 DEPUTY MAYOR CUTLER: That's a
21 different issue than the bike sharing
22 program, which, as you are aware, there
23 has been at least a small but vocal
24 constituency to do a bike share program.
25 It is very expensive. We have been

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2 working with the advocates to try to
3 convince them -- and I think we finally
4 have -- that it's probably not in the
5 cards at this point for City dollars to
6 be used for a bike share program given
7 our limited resources and the list of
8 needs for those dollars, but we have
9 embarked on trying to figure out how
10 potentially to raise money privately.
11 And so there are folks out there trying
12 to figure out how to fund a bike share
13 program. And so it is certainly
14 something we support. It is our
15 expectation that at some point we will be
16 able to get one underway, but it is not
17 going to happen in the short term or with
18 City dollars.

19 COUNCILWOMAN BROWN: Sure.

20 Thank you for the update very much.

21 DEPUTY MAYOR CUTLER: You're
22 welcome.

23 COUNCILWOMAN BROWN: Thank you,
24 Madam Chair.

25 COUNCILWOMAN TASC0: The Chair

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2 recognizes Councilman Clarke.

3 COUNCILMAN CLARKE: Thank you,
4 Madam Chair.

5 A couple of quick questions.

6 Why is CLIP housed in the Division of
7 Transportation and Utilities?

8 DEPUTY MAYOR CUTLER: That
9 change happened actually just before last
10 year's budget process. Primarily because
11 most of my agencies do operations, and
12 the agency that is tied in the most
13 closely with CLIP is Sanitation in terms
14 of clean-ups and picking up the vacant
15 lot stuff once it's done, and they have a
16 lot of the same equipment, and so it was
17 easy to put them both in the same
18 operational group so that we could share
19 those resources.

20 COUNCILMAN CLARKE: So it's
21 because of the Deputy Mayor being -- so
22 it has more --

23 DEPUTY MAYOR CUTLER: That's
24 correct.

25 COUNCILMAN CLARKE: -- to do

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2 with the Deputy Mayor structure? Okay.

3 DEPUTY MAYOR CUTLER: I was
4 going to say everyone wants to work for
5 me, but I'm not sure that's true.

6 COUNCILMAN CLARKE: I don't
7 know about that, Rina.

8 DEPUTY MAYOR CUTLER: I'm not
9 sure that's true.

10 COUNCILMAN CLARKE: Just kind
11 of follow-ups. The car share issue --
12 I'm sorry. Let me get to the first
13 issue. The bike sharing, is this the
14 Russell Meddin issue?

15 DEPUTY MAYOR CUTLER: That's
16 correct.

17 COUNCILMAN CLARKE: So it's
18 cost, bottom line?

19 DEPUTY MAYOR CUTLER: Cost.

20 COUNCILMAN CLARKE: He won't
21 like the fact that you referenced him as
22 a small but vocal group.

23 DEPUTY MAYOR CUTLER: They are
24 a small but vocal group.

25 COUNCILMAN CLARKE: I'll make

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2 sure I tell him that.

3 With respect to costs, we're
4 going to be putting a proposal to you
5 shortly on the car sharing issue. Right
6 now we have -- what do we have, Zipcar
7 and PhillyCarShare?

8 DEPUTY MAYOR CUTLER: Both
9 operate in the City, yes.

10 COUNCILMAN CLARKE: And one is
11 a non-profit, which is PhillyCarShare; am
12 I correct?

13 DEPUTY MAYOR CUTLER: I believe
14 that's correct, yes.

15 COUNCILMAN CLARKE: Their fee
16 for operations is what?

17 DEPUTY MAYOR CUTLER: I do not
18 operate the car share program.

19 MR. WILSON: Councilman, we can
20 get that whole breakdown for you on the
21 car share piece on where Zipcar and
22 PhillyCarShare.

23 COUNCILMAN CLARKE: I think
24 Mr. Abernathy knows.

25 MR. ABERNATHY: No, I don't.

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2 COUNCILMAN CLARKE: I thought
3 your former tenure.

4 I think PhillyCarShare is
5 probably zero or close to. And the
6 question, Zipcar is a for-profit, but we
7 have been working on -- I've actually
8 been talking to Councilman DiCicco. We
9 have interested for-profit entities, and
10 you probably know about this, essentially
11 rental car companies who are interested
12 in getting in the market, prepared to pay
13 a reasonable amount in terms of a fee.
14 The question is to what degree we can
15 impose a fee or a rental for the actual
16 space, because there's some question
17 around who actually owns the space. But
18 whatever governmental regulation we can
19 put in place, they're prepared to pay for
20 that, and my question is, would that be
21 something we'd be willing to entertain if
22 we have an entity that's going to provide
23 the same service, electronically
24 triggered vehicles, on the street,
25 targeted areas around universities,

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2 places that make sense? Would that be
3 something that the --

4 MR. ABERNATHY: I actually
5 originally misunderstood your question.
6 You're not talking about the City
7 contract with Zipcar. You're talking
8 about the Philly -- you're talking about
9 car sharing on City streets, correct?

10 COUNCILMAN CLARKE: Correct.

11 MR. ABERNATHY: Car sharing on
12 City -- it depends, is the easy answer.
13 I'm very aware that rental and some of
14 the other car agencies are interested in
15 having on-street parking for car sharing
16 operations.

17 COUNCILMAN CLARKE: Correct.

18 MR. ABERNATHY: I think we'd
19 have to do additional research about what
20 restrictions there are. If I recall from
21 my time in Council, I think there's some
22 state laws that have some restrictions on
23 how that operates. I think we're happy
24 to explore the situation and have a
25 conversation with you further.

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2 COUNCILMAN CLARKE: Yeah.

3 Well, one of the issues is who actually
4 owns the streets. There's some thought
5 that the property owners'
6 responsibilities; therefore, capabilities
7 in terms of -- actually goes to the
8 middle of the street. That's one of the
9 things that was said.

10 DEPUTY MAYOR CUTLER:

11 Councilman, while it is certainly true
12 that the property owner owns the sidewalk
13 and their land may in fact go to the
14 center of the street, curb to curb that
15 is the City's right-of-way and we have
16 the right to decide what goes into the
17 City's right-of-way.

18 COUNCILMAN CLARKE: And do we
19 have the right to impose a fee for use of
20 the right-of-way?

21 DEPUTY MAYOR CUTLER: Well, we
22 do for parking meters. So I think
23 philosophically legally the answer is
24 probably yes. I would just like to throw
25 one sort of caveat out there.

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2 There are so many people,
3 entities who want to use curb space who
4 pay a fee to use curb space, that
5 actually it's starting to get somewhat
6 out of control in terms of taking up
7 public parking on the street. So you've
8 got valet operators who are charged a fee
9 to use the public way. You've got no fee
10 charged but disabled parking that gets to
11 use the right-of-way in front of their
12 homes. You've got contractors who get to
13 use the right-of-way with the placards.
14 You've got resident parking program.
15 You've got a whole bunch of folks, buses,
16 cabs. Now the Bolt and Mega Bus
17 communities are looking for curb space as
18 well.

19 So for me, it's less a question
20 of is it legal to charge a fee. I think
21 the answer is absolutely, because we do
22 for many of those functions. I think for
23 me the real question is, at what point do
24 we stop providing the public benefit by
25 using that public property for private

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2 and public use other than public parking.

3 So just a little tricky.

4 COUNCILMAN CLARKE: And I

5 understand that, and I can see how it can

6 be potentially a challenge, but the whole

7 premise around car share and subsequently

8 Zip was to reduce the vehicles here

9 generally, because people would be able

10 to share this one vehicle. So that's the

11 basis for authorizing the initial

12 PhillyCarShare program.

13 So my question is, if that

14 would be the direction that we think

15 makes some sense in terms of reducing the

16 number of vehicles on the street,

17 wouldn't it also make sense to entertain

18 a proposition that would actually pay us

19 a lot more than's being charged, which is

20 not difficult to do if people aren't

21 paying anything to currently park on the

22 streets? And I think that's something

23 that makes a lot of sense.

24 DEPUTY MAYOR CUTLER: Well, we

25 would need to look at it. My

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2 understanding -- and I'll go back and
3 check the numbers and get the information
4 to you. A lot of the current car sharing
5 vehicles are off street. They are not --
6 they are parked in parking lots. They
7 are --

8 COUNCILMAN CLARKE: There are
9 some, but there are a whole lot of
10 them --

11 DEPUTY MAYOR CUTLER: I think
12 the majority are off street, and I will
13 get the numbers for you.

14 The rental cars have the
15 ability to house their own vehicles and
16 still do car share, because they
17 currently have garages for their rental
18 cars.

19 COUNCILMAN CLARKE: Is there a
20 reason that we don't want to get more
21 money? Because it seems like you're
22 being argumentative.

23 DEPUTY MAYOR CUTLER: No.
24 Actually, in most cases, I'm fond of
25 raising more money, but I think at some

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2 point one has to weigh the public benefit
3 and how much money you could actually
4 generate. And so if you could
5 generate --

6 COUNCILMAN CLARKE: Let me
7 understand this. If PhillyCarShare and
8 Zipcar is a public benefit and we're
9 talking about the same operation,
10 different person, entity, aren't they
11 also a public benefit?

12 DEPUTY MAYOR CUTLER: Well,
13 they certainly could be. What I need to
14 double-check is how many of those spaces
15 are on the public right-of-way and how
16 many of them are currently in private
17 parking facilities. And I think the vast
18 majority are in private parking
19 facilities, but I will double-check that.

20 MR. ABERNATHY: And,
21 Councilman, I think it's important to
22 also remember how PhillyCarShare was
23 originally founded, which was with
24 significant public support. It was brand
25 new. And I think that was one of the

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2 original reasons the fee was kept low.

3 COUNCILMAN CLARKE: All right.

4 It's not free to the public, though.

5 DEPUTY MAYOR CUTLER: No.

6 MR. ABERNATHY: No, it is not.

7 COUNCILMAN CLARKE: So what I'm
8 talking about is an entity who is
9 prepared to provide the same service that
10 is prepared to pay.

11 MR. ABERNATHY: Understood.

12 COUNCILMAN CLARKE: Which --

13 MR. ABERNATHY: And I think the
14 Deputy Mayor is more than willing to --
15 sounds like we're willing to explore that
16 option.

17 DEPUTY MAYOR CUTLER: Yes. The
18 only caveat I raised -- and I continue to
19 raise it. It doesn't mean we wouldn't
20 consider it, but is at some point -- and
21 we're going through it now with valet
22 zones. In the past, the policy has been
23 that every single individual restaurant
24 could apply for its own valet zone.
25 Well, they grew like weeds, and so now

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2 there are large parts of the City in the
3 evening where they only have valet zones.
4 And so actually the question has come up
5 as to whether or not valet zones should
6 be shared rather than have to have
7 individual restaurants with individual
8 zones in order to have some ability to
9 have public parking when people show up
10 without having to pay \$24 to go to a
11 restaurant. So all I'm saying is, it
12 just needs to be weighed as part of the
13 equation.

14 COUNCILMAN CLARKE: They can go
15 get one of those car shares. They have a
16 designated space for them, right?

17 DEPUTY MAYOR CUTLER: It would
18 be interesting to see if they'd pay as
19 much as the valet guys. But, yes,
20 certainly -- so that is the only caveat.
21 It doesn't mean there aren't public
22 benefits and we should not consider it.
23 They will start to become eventually the
24 same problem we're now having with Bolt
25 Bus and Mega Bus. They started with one.

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2 Now the private operators like Greyhound
3 want to get in the market for that. They
4 now want public on-street spaces.
5 Everywhere you want to put them,
6 neighbors say, Don't put them here. And
7 so it's just a policy question of
8 balance; that's all.

9 COUNCILMAN CLARKE: All right.
10 That's fair. If you can get that
11 information.

12 DEPUTY MAYOR CUTLER: I will.

13 COUNCILMAN CLARKE: Thank you.

14 Thank you, Madam Chair.

15 COUNCILWOMAN TASC0: You're
16 welcome.

17 Any more questions?

18 (No response.)

19 COUNCILWOMAN TASC0: Thank you
20 very much. We appreciate the testimony.

21 MR. McPHERSON: The next
22 department is the Records Department.

23 MR. NEGRIN: Thank you.

24 COUNCILWOMAN TASC0: Let the
25 Records Department in, please. We got to

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2 go.

3 Would you all please take your
4 conversations outside. Thank you.

5 (Witnesses approached witness
6 table.)

7 COUNCILWOMAN TASCO: Good
8 afternoon, Ms. Decker. You might want to
9 summarize.

10 COMMISSIONER DECKER: I shall.
11 Thank you.

12 Good afternoon, Councilwoman
13 Tasco and members of City Council. My
14 name is Joan Decker, Records
15 Commissioner, and I have with me today
16 Jeanne Reedy, who is the Administrative
17 Services Director. And I will go very
18 quickly and summarize.

19 For FY12, the Records
20 Department is requesting a General Fund
21 operating budget of \$4,009,212, which is
22 a carry-forward of the Department's FY11
23 estimated obligations. This budget
24 reflects the following: Class 100,
25 2,845,219; Class 200, 1,083,797; Class

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2 300 is \$600,502; and Class 400 is 18,256;
3 Class 500, 1,456.

4 There is just an internal
5 transfer of classes. So you'll see a
6 little bit of an adjustment in the
7 numbers.

8 I think many of you are already
9 familiar with our mission, so I won't
10 repeat that.

11 Some of the initiatives related
12 to the Five Year Plan. As you probably
13 know, the Records Department from FY09
14 experienced a 48 percent budget
15 reduction, which totaled \$3,670,659. It
16 was a breakdown of reduction of 22
17 percent in Class 100, 71 percent in Class
18 200, 69 percent in Class 300, and 87
19 percent in Class 400. We had experienced
20 some downsizing as a result of that,
21 obviously.

22 Just very quickly, through the
23 different parts -- divisions of the
24 Department. Document Recording, we have
25 maintained a pretty quick turnaround

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2 time. We've used a number of tools,
3 including optical character recognition,
4 eRecording. Our eRecording volumes are
5 up to 50 percent, which means great
6 reductions and improvements in
7 efficiencies, reductions in turnaround
8 time.

9 Our PhillyHistory website is
10 very popular. We had approximately
11 442,000 visitors this past fiscal year,
12 and they made more than 2.4 million
13 research requests and searches on the
14 website. We now have a little over
15 87,000 photographs, which are scanned and
16 available online.

17 Conservation in the archives.
18 We continue to take care of the most
19 valuable historical items in our
20 collection, and probably most notable
21 this year is participation of Civil War
22 History Consortium, and one of the
23 notable volumes is prison records, which
24 really show the great challenge to the
25 Fugitive Slave Act. So we worked with a

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2 lot of other historical institutions on
3 that initiative.

4 Document notice letters. This
5 is the eighth year of our sending the
6 document notice letters out for deeds and
7 mortgages. We have sent approximately
8 948,000 letters to date.

9 We provide online access as
10 much as possible to our records to
11 provide customer service, quick
12 turnaround time to our requestors. I've
13 highlighted some of the records
14 management initiatives that we have
15 engaged in and completed.

16 You know that we support some
17 of the campaign finance and financial
18 disclosures on an ongoing basis.

19 Our minority participation goal
20 of 25 percent was met and exceeded, and
21 we're committed to that goal for the next
22 fiscal year.

23 And that pretty much sums up.
24 That was a quick tour through our
25 department. And I thank Council for

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2 their continuing support, and I'm here to
3 answer any questions you may have.

4 COUNCILWOMAN TASCO: Thank you
5 very much.

6 Councilman Greenlee.

7 COUNCILMAN GREENLEE: Thank
8 you, Madam Chair.

9 Very quickly. Good afternoon,
10 Commissioner.

11 COMMISSIONER DECKER: Good
12 afternoon.

13 COUNCILMAN GREENLEE: Yesterday
14 the Inspector General talked about some
15 of her investigations and she talked
16 about a couple of things in the Records
17 Department. And just to preface, I know
18 the vast majority of your employees are
19 honest, hard-working, do a great job.
20 But she talked about some of the things
21 she recommended to you.

22 Now, I don't know what you're
23 free to tell us. I know you mention in
24 your next-to-last paragraph about
25 upgrading the cameras and that kind of

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2 thing. I know there was issue in the
3 Accident Reporting Room.

4 Is there anything you can tell
5 us or forward later that kind of came out
6 of that investigation that you're
7 changing in the department?

8 COMMISSIONER DECKER: Well, we
9 already have made changes. The room was
10 completely reorganized. There are no
11 partitions. There are no internal
12 partitions. The room is completely open.
13 The staff is segregated from the
14 commercial badge holders in the unit, and
15 also from the walk-in customers. We have
16 five security cameras, which tape and
17 record everything that is ongoing. We
18 have them over the cash register.

19 We have implemented, I guess,
20 stricter rules about engagement. The
21 cameras are focused on the commercial
22 badge users, who cannot really interact
23 and whose every move is really closely
24 observed.

25 COUNCILMAN GREENLEE: Okay.

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2 Thank you.

3 Thank you, Madam Chair.

4 COUNCILWOMAN TASC0: Thank you.

5 Any other questions?

6 (No response.)

7 COUNCILWOMAN TASC0: Thank you

8 very much.

9 COMMISSIONER DECKER: Thank

10 you.

11 COUNCILWOMAN TASC0: This

12 Committee will recess until tomorrow

13 morning at 10:00 a.m.

14 Thank you.

15 (Committee of the Whole

16 adjourned at 4:40 p.m.)

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2 CERTIFICATE

3 I HEREBY CERTIFY that the
4 proceedings, evidence and objections are
5 contained fully and accurately in the
6 stenographic notes taken by me upon the
7 foregoing matter on March 29, 2011, and that
8 this is a true and correct transcript of same.

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12
13 -----
14 MICHELE L. MURPHY
15 RPR-Notary Public
16
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