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**Bill number:** 250607

**Introduced by:** Harrity

**Cosponsor(s):** Phillips, Gauthier, Thomas, Jones, Landau, Lozada, Brooks, Driscoll, O'Neill, Squilla, Bass, Ahmad

**Assigned committee:** Labor and Civil Service

**Date introduced:** 06/05/2025

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## Fiscal Note

### Overview

This bill would establish minimum workforce training requirements and standardize documentation procedures for contractors and subcontractors working on certain public works projects. The anticipated cost to the City is \$1.2 million - \$1.4 million over five years.

### Legislative Summary

#### ***Workforce and Contractor Qualification Requirements***

The enactment of this legislation would set standards for all contractors and subcontractors working on any public works project undertaken by the City of Philadelphia valued at \$100,000 or more. These projects would include, but not be limited to, any of the following: construction, demolition, alteration, renovation, modernization, service, or maintenance of buildings, infrastructure, or streets.

The following standards would be required:

- At least 70% of each contractor's or subcontractor's on-site workforce must have completed or be enrolled in a certified apprenticeship program recognized by the Commonwealth of Pennsylvania's "Apprenticeship and Training Act."
- All firms engaged in public works contracts, including general contractors, construction managers, other lead or prime contractors, and subcontractors, must be qualified to do the work. This includes having the necessary demonstrated experience, equipment, technical skills, and qualifications, and adequate organizational, financial, and personnel resources to perform the job properly.

***Bidding Process***

The enactment of this legislation would require firms bidding or otherwise participating in public works contracts to have a satisfactory past performance record and a satisfactory record of legal compliance, integrity, and business ethics.

Bidders would also be required to submit proof of compliance as part of their bidding submission documents. These documents include, but are not limited to, the following: lists of workforce members designated to work on the project, proof of enrollment and completion in certified apprenticeship programs, training completion certificates, and any other records deemed necessary by the Procurement Department to verify compliance.

***Non-Compliance***

The enactment of this legislation would deem any firm that fails to meet the standards mentioned above, including but not limited to the 70% certified apprenticeship workforce requirement, as not responsible and disqualified from bidding on or performing work under public works contracts. The Procurement Department would also be authorized to disqualify or debar any firm for any falsifications or misrepresentations related to compliance with these workforce standards.

**Proposed Effective Date**

This legislation would be effective immediately after enactment.

**Fiscal Impact Analysis**

The estimated cost of implementing this legislation is summarized in the below table. The total cost is estimated to be \$1.2 million - \$1.4 million.

| <b>Fiscal Impact Summary</b>           | <b>FY26</b>             | <b>FY27</b>             | <b>FY28</b>             | <b>FY29</b>             | <b>FY30</b>             | <b>Total</b>                    |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------------|
| <b>Expenditure Increase/(Decrease)</b> |                         |                         |                         |                         |                         |                                 |
| General Fund                           |                         |                         |                         |                         |                         |                                 |
| Class 100: Personal Services           |                         |                         |                         |                         |                         |                                 |
| <b>Salary</b>                          | \$171,000-<br>\$186,000 | \$171,000-<br>\$186,000 | \$171,000-<br>\$186,000 | \$171,000-<br>\$186,000 | \$171,000-<br>\$186,000 | <b>\$855,000-<br/>\$930,000</b> |
| <b>Fringe Benefits</b>                 | \$72,675 -<br>\$79,050  | \$72,675 -<br>\$79,050  | \$72,675 -<br>\$79,050  | \$72,675 -<br>\$79,050  | \$72,675 -<br>\$79,050  | <b>\$363,375-<br/>\$395,250</b> |
| <b>Expenditure Increase/(Decrease)</b> |                         |                         |                         |                         |                         |                                 |
| General Fund                           |                         |                         |                         |                         |                         |                                 |
| Class 200: Purchase of Services        | \$30,000                |                         |                         |                         |                         | <b>\$30,000</b>                 |
| <b>Expenditure Increase/(Decrease)</b> |                         |                         |                         |                         |                         |                                 |
| General Fund                           | *Up to<br>\$100,000     |                         |                         |                         |                         | <b>*Up to<br/>\$100,000</b>     |

| <b>Fiscal Impact Summary</b> | <b>FY26</b>                     | <b>FY27</b>                     | <b>FY28</b>                     | <b>FY29</b>                     | <b>FY30</b>                     | <b>Total</b>                        |
|------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------------|
| Class 400: Equipment         |                                 |                                 |                                 |                                 |                                 |                                     |
| <b>Net Cost/(Savings)</b>    | <b>\$273,675-<br/>\$365,050</b> | <b>\$243,675-<br/>\$265,050</b> | <b>\$243,675-<br/>\$265,050</b> | <b>\$243,675-<br/>\$265,050</b> | <b>\$243,675-<br/>\$265,050</b> | <b>\$1,248,375-<br/>\$1,425,250</b> |

\*Rounded to the nearest hundred

### ***Expenditure***

**Department of Labor (Labor):** To fully comply with the implementation of this legislation, the Department would be required to establish a formal Journeyperson Verification Program, which would verify that journeypersons, working on public works projects undertaken by the City of Philadelphia, have successfully completed a registered apprenticeship program. Implementation would also require procedural updates, including the revision of interview intake forms. This would include journeyperson verification questions, as well as requested documentation prompts. The Office would not have the capacity to handle an effective program nor any increased administrative duties or inspections, with its current level of staffing. The Department would also need to acquire inspection-related equipment such as two new City vehicles for traveling to and from worksites. Each vehicle would be equipped to securely store inspection tools, personal protective equipment, and sensitive documents. These vehicles would be purchased through the Department of Fleet Services. The Department anticipates a five-year cost of approximately **\$855,000 - \$930,000** to implement this legislation.

**Class 100: Personal Services:** The Department would hire three full-time employees, consisting of two field inspectors and one compliance analyst. The total salary expenditure estimated annual cost for these positions would range between **\$171,000 - \$186,000**.

**Procedural Updates:** The Department also anticipates procedural updates, including the revision of interview intake forms. Any costs resulting from this update would be absorbed within the Department's existing resources.

**The Office of the Director of Finance:** The employee salaries for the Department of Labor would be funded through Labor's budget, but the associated fringe benefits for these positions would be included in the Citywide fringe line in the Office of the Director of Finance's budget.

**Annual Fringe Benefit Cost: \$72,675 - \$79,050.**

**Department of Fleet Services:** The purchase of new vehicles for the Department of Labor would add additional costs and responsibilities for the Department of Fleet Services. Specifically, the Department estimates that each new vehicle would add \$3,000 to \$5,000 in costs related to vehicle fuel and maintenance, which would be absorbed within the existing budget. These new vehicles could impact the following classes in their budget:

- **Class 100: Personal Services** related to their labor and overtime budget.
- **Class 200: Purchase of Services** related to their repair and maintenance budget.

- **Class 300: Materials and Supplies** related to their vehicle parts and fuel budget.

Additionally, the Department does not have the capacity to absorb this within its current budget, but anticipates that the implementation of this legislation would be as follows:

- **Class 400: Equipment** acquisitions of two vehicles, each **\$49,766**.

**Procurement Department (Procurement):** The enactment of this legislation would require the Department to ensure compliance with applicable solicitations and include new term language in its public works contracts. An update would also be required to the Department's administrative process to add an extra review of contract commitments. This would potentially create a manual review process to include up to three hours a week to current staff responsibilities. Additionally, the Department also anticipates a one-time update to its Legacy system, and potentially PHLContracts system, and document templates to support these changes. These changes would create an ongoing annual cost, of approximately \$3,000, which would be absorbed within the department's existing budget.

- **Class 200: Purchase of Services** - One-time system and template modifications total approximately **\$30,000**.

**Other Impacted Departments:** The departments below would not have the ability to determine direct fiscal impacts but anticipate absorbing any costs resulting from the enactment of this legislation within their existing budgets. These departments foresee the number of qualified bidders on contracts decreasing. This could lead to increased costs for public works projects and a reduced number of qualified bidders.

**Capital Program Office (CPO):** The Department anticipates that the enactment of this legislation could potentially have an effect on timelines for all public works projects and also lead to the possibility of increased cost across impacted City departments.

**Department of Aviation, Philadelphia Airport (PHL):** The Department does not anticipate any major changes to its processes or procedures. However, it does expect to increase collaboration with the Labor and Procurement departments to ensure compliance with the proposed legislation. The Department also anticipates that the number of qualified, especially niche industry-specific, contractors bidding on public work projects may decrease, depending on the size and scope of a project. Many of these contractors operate on a national scale, have limited local policy interactions, and may not meet the proposed 70% requirement. With fewer bidders, costs could rise due to reduced competition.

**Department of Streets (DOS):** The Department of Streets anticipates that the requirement for contractors and subcontractors to provide documentation proving compliance of any tier as part of bidding submissions may result in either a decreased number of bidders or

no qualified bidders. This may lead to project implementation delays, which could impact the timelines of other public works projects. Additionally, the Department anticipates construction costs would increase due to reduced competition or because delays may require projects to be rebid. Since the majority of the Department's work involves heavy-highway projects, the bidding process would also require the Department to evaluate how these projects align with available apprenticeship programs for heavy-highway work. This would require the Department to allocate additional time to coordinate with Procurement on bidding procedures, including documentation requirements and bid submission reviews.

***Free Library of Philadelphia (Free Library):*** The Department anticipates that the enactment of this legislation would impact both project costs and vendor competition. The Free Library's procurement team would be required to review extensive documentation for every public works project. Firms unable to meet the proposed 70% threshold would be disqualified, reducing the pool of eligible bidders—particularly for urgently needed capital and facilities improvement projects. Many of these projects have already been delayed, scaled back, or remain uninitiated due to longstanding resource constraints.

This reduction in qualified bidders would not only limit competition and increase costs but also hinder the Free Library's ability to execute time-sensitive contracts. The added administrative requirements would further strain limited staff capacities, complicate compliance, and delay essential maintenance across the citywide network of libraries.

***Philadelphia Water Department (PWD):*** The Department anticipates that administrative and procedural changes may be required to properly document and ensure compliance with the enactment of this legislation. It also anticipates that the number of qualified bidders on contracts could decrease, in some cases, to zero. This could lead to increased costs for contracted services or the inability to contract with a qualified, compliant bidder, potentially resulting in critical gaps in PWD's operations. Overall, the Department would not have the capacity to absorb any costs, relating to the enactment of this legislation within its existing budget. In return, these costs would be passed onto ratepayers.

## **Legislative History**

### **2007**

#### **Bill 070304 - Lapsed**

On April 19, 2007, former Councilmember Greenlee, with cosponsor former Councilmember Ramos, introduced legislation to completely repeal Section 17-101 of the Philadelphia Code, entitled "Prequalification of the Prospective Bidders for Contract for Construction of Public Works."

This legislation proposed the creation of a new section of the Philadelphia Code, entitled "Prequalification of Responsible Contractors and Subcontractors for Public Works Contracts." The new section included definitions of key terms, guidelines for determining contract eligibility, specifics for contract determinations, application process and review details, prequalification certification requirements, as well as a required qualification of three-year periods.

**Prepared by:** Policy and Fiscal Analyst Unit, Mayor's Office of Legislative Affairs

**Date:** 11/18/2025

This document is a summary of proposed legislation as introduced and is prepared by the Mayor's Office of Legislative Affairs for general information only. It does not represent the official legal position of the City. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.