

TAX COMPLIANCE OF VENDORS POLICY

1. It is the policy of the School District of Philadelphia that a competitive process is required for all contracts over \$15,000 unless (a) the School District is required by law to enter into a contract regardless of tax compliance; or (b) there is a strong countervailing reason approved by the Deputy Superintendent or the Chief Operating Officer, and the School Reform Commission is notified at the time of the approval.

2. It is the policy of the School District to ensure that firms, businesses and other legal entities receiving School District contracts are current in their payment of City of Philadelphia (“City”) taxes or other indebtedness owed to the City, including but not limited to taxes collected by the City on behalf of the School District, at the time of contract award.

3. Whenever a proposed vendor, bidder, responder or contracting party is awarded a contract, the vendor, bidder, responder or contracting party shall produce to the School District a Certificate that the vendor, bidder, responder or contracting party is compliant with any tax obligations or an Affidavit that the vendor, bidder, responder or contracting party is not subject to or liable for any City or School District taxes or other indebtedness owed to the City and/or the School District.

4. Generally, the School Reform Commission (“SRC”) of the School District will not authorize the award of a School District contract to a firm, business or other legal entity that is delinquent in its payment of City or School District taxes or other indebtedness owed to the City and/or the School District at the time of contract award.

5. The SRC reserves the right or option to award a School District contract to the apparent lowest or successful vendor, bidder, responder or contracting party who does not provide a Certificate of Tax Clearance to the School District if the SRC determines, in its sole discretion, that award of the contract to the apparent lowest or successful vendor, bidder, responder or contracting party is in the best interest of the School District, or required under applicable Federal or State laws, regulations or rulings. The SRC also reserves the right or option to set off or offset the amount of any City taxes or other indebtedness owed to the City and/or the School District against any payment or payments due to the apparent lowest or successful vendor, bidder, responder or contracting party under any contract with the School District.

6. The SRC or the School District reserves the right or option to set off or offset the amount of any City taxes or other indebtedness owed to the City and/or the School District against any payment or payments due to a firm, business or other legal entity under any contract with the School District.

7. The SRC may authorize the award of a School District contract to a firm, business or other legal entity that is delinquent in its payment of City or School District taxes or other indebtedness owed to the City and/or the School District at the time of contract award, if the SRC determines, in its sole discretion, that award of the contract to the firm, business or other legal entity is in the best interest of the School District, or required under applicable Federal or State laws, regulations or rulings.

8. The SRC, in its sole discretion, may authorize the award of a School District contract to a firm, business or other legal entity that is delinquent in its payment of City or School District taxes or other indebtedness owed to the City and/or the School District at the time of contract award and that has entered into a satisfactory arrangement with the City to become compliant in the payment of City or School District taxes or other indebtedness owed to the City and/or the School District. The firm, business or other legal entity must provide written proof of this satisfactory arrangement with the City before the authorization of the award of the contract.

9. The Chief Financial Officer will be responsible for monitoring and overseeing the School District's implementation and enforcement of the Tax Compliance of Vendors Policy.

Adopted
February 21, 2013