



The Philadelphia Procurement Department

Guidelines Governing the Purchase of Goods and Non-professional Services Other Than By Awarding of Contracts to the Lowest Responsible Bidder

Section 1. Purpose.

(a) The taxpayers and residents of the Philadelphia should receive the best value possible from the City's procurement system. The goods and services that will provide the best values for the City cannot always be selected on the basis of lowest price. These Guidelines (referenced in Section 9 of the Regulations) are promulgated to ensure that when the City takes into consideration other important factors in addition to the price of goods and services, the award of the contract will be made in an open, fair and transparent process providing the best value for the City.

Section 2. General Overview

A procurement system based on 'best value' offers the City of Philadelphia an alternative to the 'lowest bidder' system. Under a 'best value' system the City will be able to take into consideration other important factors when selecting contractors, service providers, and vendors in addition to the price. These other factors will be divided into three categories: Pre-Qualification, Core Factors, and Other Factors. Pre-Qualification will ensure that the proposer is financially stable and either has or will have the appropriate equipment necessary to complete the project. Core Factors will look to the proposer's past performance, proposer's response to terms of EOP (if applicable), proposer's response to terms of M/W/DSB plan, management plan and team, and proposed schedule. Other Factors could include (but are not limited to) environmental characteristics, design, delivery terms, life cycle costs and maintenance.

The best value method will take into account technical scoring, along with price, creating a holistic and comprehensive evaluation of each vendor and its proposal. Scoring will incorporate feedback from stakeholders throughout the City, including technical experts. Criteria and scoring will be shared in a transparent and clear manner.

Section 3. Justification of Best Value

Each department will be required to provide a justification for Best Value to the Procurement Commissioner utilizing a standard framework that will be established in these guidelines. Departments will be asked to detail the components of the contract that will address: the integration of technical or professional service elements, quality differences among proprietary products and services and incorporation of City contracting objectives, including but not limited to, participation in City contracts by disadvantaged business enterprises, as spelled out in Section 8-200(5) of the Home Rule Charter. The justification must be approved by the Department Head for the contracting department and by the Procurement Commissioner. The final and approved justification will then be publicly filed and posted with the notice of contract opportunity and associated documents (e.g., Request for Proposal).

A justification form will be provided to the proposing department and maintained by the Procurement Department. It is included as an appendix to these guidelines.

Section 4. Selection Committee

(1) Once all proposals have been received, the price section of the proposal will be removed and held by the Procurement Department until the technical review is complete. In some instances, price may be considered prior to the technical evaluation and/or given a greater weight. In such instances, this will be indicated in the RFP and known to the proposers at the time proposals are submitted. The remainder of the proposals will be given to the Selection Committee (consisting of a representative from Procurement, Office of Economic Opportunity, departmental technical expert with knowledge relevant to the project, and others whom the Commissioner deems appropriate) who will then, individually, score the technical qualifications of each. The representative from OEO will focus on reviewing and scoring the portion of proposals dealing with Minority, Women and Disabled-owned businesses along with Economic Opportunity Plans.

(2) The Selection Committee will change for each contract depending on the specifications of that contract.

(3) The department in charge of each project will make a recommendation, to the Procurement Commissioner, of who should be placed on the committee. Committee composition is ultimately determined by the Procurement Commissioner. The Commissioner should include at least 3-5 diverse individuals on the Committee.

(4) If a contract for the service/good being evaluated was previously in place, the individual responsible for managing the previous contract (e.g., the project manager) should be included on the selection committee. While such individual's feedback on current vendors and others will be considered in committee discussions. The Procurement Commissioner will determine whether such individual will be a voting member of the committee.

(5) Each committee member should complete his or her technical review of the proposal prior to the first group meeting.

(6) The technical evaluation may also include an interview or Q&A with the proposing vendors. An interview portion is not always required.

(7) After each Committee member has made a preliminary review of each proposal, the Committee will meet to discuss their evaluations. At that time, it may be determined that interviews or Q&A with proposing vendors are necessary to complete the technical review. Upon completion of the technical review by the Committee, each member will score the proposal using the standard score sheet. Each proposal's scores will be averaged among the committee.

(8) The representative on the Committee from the Procurement Department will tally all scores.

(9) After final technical scores are established for each proposal, the price sections will be distributed to the committee and

(10) The proposals receiving the highest overall score (technical + price) are identified as the vendors with whom the City intends to award a contract.

(11) Procurement and the contracting department can negotiate with those vendors receiving the highest scores.

(12) After contract negotiations are finalized, a notice of intent to contract will be issued by the Commissioner and will be publicly posted.

(13) Evaluation Approach: This evaluation process is to be performed by each member of the Procurement Committee individually and separately and should not be discussed with others outside of designated meeting times where evaluations may be compared and discussed. Additionally, no individual shall be included within the Procurement Committee for a particular project if such individual is not cleared of any conflict of interests, as described in Section 6 and Appendix B of these guidelines. Each member of the Procurement Committee will be required to complete a Confidentiality and Conflict of Interest Form, as outlined in Appendix B of these

guidelines, prior to being given access to proposals for scoring. Procurement will maintain copies of these forms and include them with the opportunity documents (e.g., Request for Proposals).

Section 5. Criteria & Scoring

(1) In order to determine the technical score of a proposal, the selection committee will be asked to use the available scoring sheet, which lays out the instructions for evaluation as well as the scoring method and values to go along with each subcategory.

(2) It is recommended that each Procurement Committee member read each all proposals prior to scoring any of them. Then, scoring should be done during a subsequent reading and should conform with the point totals provided on the scoring sheet. All point totals listed on the scoring sheet are maximum points that can be earned in each category and represent a range spanning from zero to that maximum value.

(3) When scoring each proposal, each committee member should complete technical scoring before considering the price of each proposal. The prices that correspond with each proposal will remain sealed until the time that all technical evaluations have been completed, unless stated beforehand in the project description that price will be considered first.

(4) After completion of the scoring sheet, the technical scores reached should be balanced against the price scores for each proposer to obtain a total score.

(5) Total point value will vary by opportunity. The following ranges will guide the weighting of technical score and price score. All opportunities must have a total weighting of 100% for technical and price scores.

- i. Technical Score: 50-70%
- ii. Price Score: 30-50%

For Technical Qualifications

(6) The scoring for technical qualifications is broken up into quantifiable (point) categories. Each proposal may receive up to the number of points assigned for each category (e.g. a category with 10 points will allow a committee member to score a proposal on a scale of 0-10 for that category). The total number of points received will then be added together and the proposal will receive the number of points awarded out of the total possible points.

i. The points listed for each category should be the maximum points that may be assigned for that category to each proposal.

ii. Committee members should use and consider the information included in the proposal, as well as any information that is obtained during the Pre-Qualification stage and interview to score each proposal.

iii. Technical proposals will be evaluated first. The technical evaluation will include evaluations of the offeror's: 1) Past Performance; 2) Diversity and Inclusion Plans 3) Management Plan and Proposed Schedule if appropriate; and 4) any other criteria deemed appropriate by the Procurement Commissioner.

(7) Guidance for criteria making up technical evaluations can be seen below:

i. Core Considerations

Core Considerations are the primary aspects of the technical evaluation and constitute at least half of the possible technical points that may be awarded to each proposal. (Weight: 50-100% of the technical score)

a. Proposers will be asked to submit a summary of their prior projects including (but not limited to) 3-5 of their past equivalent projects (within the last 5 years) as well as any projects previously done for the City of Philadelphia.

b. Sub Categories – These sub categories are not an exhaustive list and are subject to change depending on the contract opportunity.

i. Past Performance, Technical Ability and Experience (30-50%)

1. Completed projects safely;
2. On time and on budget; and
3. Aligned with project plans, met/exceeded city needs.

ii. EOPs and Performance on M/W/DSBE Plans (15-25%)

1. Quality of diversity and inclusion plan; and
2. Met or exceeded terms of EOP and/or M/W/DSBE plans.

iii. Management Plan and Schedule (10-25%)

1. Management team and key personnel;
2. Experience of team, including prime and sub-contractors; and

3. Project schedule and capacity.

iv. Local Business Entity (5-10% bonus)

1. Evaluation of potential economic impact to the City which may include tax revenue and/or employment

2. Requirements to be a certified LBE will mirror section 17-109 of The Philadelphia Code.

ii. Other Considerations

a. Realizing that the nature of projects using a Best Value framework can vary, departments can consider other criteria consistent with section 4(b) of the regulations.

b. Other considerations are secondary aspects of the technical evaluation that constitute the remaining number of possible points that may be awarded to each proposal.

c. Other considerations can consist of no more than half the points in the technical evaluation. (Weight: 0-50% of the technical score)

d. Sub Categories – the following are examples and this list is not exhaustive, the other considerations will vary in each contract opportunity.

i. Environmental Characteristics

1. Including sustainable design or LEED certification.

ii. Design

1. Valuing a design that aligns well in a specific area of the city.

iii. Life Cycle Costs

1. Certain materials may be more durable than others.

iv. Maintenance Post Build

1. Certain materials may be costlier to maintain.

v. Technical Expertise

1. Specialized experience and technology.

vi. Sustainability

1. Certain materials and technology are more sustainable through the future.

For Price Qualifications

(8) The price score is calculated in such a way that the lowest price proposal receives the maximum price score, and each subsequent proposal receives a price score calculated by dividing the lowest price by the proposal's price and multiplying it by the maximum point value (e.g. if Proposal A is the lowest price proposal at \$98,000 and Proposal B is \$100,000; then the price score for Proposal A is 100 and the price score for B is 98).

i. $(\text{Lowest Price} / \text{2nd Lowest Price}) \times \text{maximum point value} = \text{2nd Lowest Score}$

Section 6. Integrity of the Procurement Process

(1) The City seeks to ensure the integrity of the Procurement process by maintaining the following standards throughout the Procurement process: i) avoid favoritism toward vendors, suppliers, or contractors; ii) avoid ethical misconduct by City employees and officials; iii) provide a fair and equal, yet competitive, proposal process for all potential vendors, suppliers, or contractors; iv) promote transparency in the selection process; and v) keep all information obtained throughout the selection process confidential.

(2) Failure to adhere to and prioritize these standards could compromise the legitimacy of the Procurement Committee and potentially violate the City's ethics restrictions, including but not limited to the City Ethics Code (Chapter 20-600 of the Philadelphia Code), the Home Rule Charter, and Mayoral Executive Orders. While these guidelines highlight provisions of particular relevance to the procurement process, City employees must adhere to all applicable law.

(3) The Philadelphia Ethics Code (Chapter 20-600) lays out the City's rules regarding Conflict of Interest (§20-607), Public Disclosure and Disqualifications (§20-608), Confidentiality (§20-609), and Post-Employment Representation (§20-603) by City officers and employees. The Home Rule Charter prohibits City officers and employees from having a direct or indirect interest in certain types City contracts (§10-102) and from accepting Gratuities (§10-105). Lastly, Philadelphia Code Section 20-604 and Executive Order No. 10-16 regulate the acceptance of gifts by City officers and employees. Specifically, Executive Order No. 10-16 prohibits gifts from certain entities.

(4) Committee members shall not communicate with any Proposers during the proposal and selection process regarding any aspects of the RFP or the process itself, unless such communication occurs as part of a pre-proposal meeting, Proposer interviews, or Proposer Q&A.

(5) The Procurement Department will provide a Confidentiality and Conflict of Interest Form to each Committee member, which must be completed by each Committee member prior to their participation in the proposal selection process. That form is attached as an appendix to these guidelines. If a conflict of interest becomes known through the course of the proposal selection process, the Committee member must disclose the conflict and disqualify him- or herself from participation in the process immediately, as described in Section 20-608 of the Philadelphia Code.

(6) If there are concerns about the integrity of the Procurement process, these may be directed to the Office of the Chief Integrity Officer.

TREVOR DAY
Procurement Commissioner

Appendix A: Best Value Justification Form

Best Value Justification Form

Department Name: _____

Good/Service Needed:

Reason for the Use of Best Value:

- Integration of technical or professional service elements
- Quality differences in proprietary product and/or services
- Incorporation of City contracting objectives, including disadvantaged business enterprise
- Other

Please explain justification for use of Best Value:

Suggested Criteria:

Technical __% Price __%

Technical Criteria	Weight
Past Performance, Technical Ability, Experience	
M/W/DSBE Plan and/or EOP	
Management Plan & Schedule	
Other	
Local Bonus	

Department Head Approval

Date

Procurement Commissioner Approval

Date

Appendix B: Confidentiality and Conflict of Interest Form

Confidentiality and Conflict of Interest Statement

I understand that I have been requested to review and evaluate responses to Best Value Proposals solicited by the City of Philadelphia through a process managed by the Procurement Department.

Confidentiality

I understand and agree that:

- All materials to which I am privy in the process of reviewing a proposal or other information submitted in response to the RFP are the property of the City of Philadelphia, are confidential, and may not be disclosed to any person or entity without the express authorization of the appropriate department personnel and any other applicable entities.
- I may not release, transmit or otherwise disclose any information contained in any proposal, any information about the RFP evaluation process, including but not limited to any evaluation criteria or method, and/or any other information about the review process or selection of an applicant. If I am asked any questions or if inquiries are made to me about the RFP, I will direct the questions/inquiries to the appropriate department personnel.
- I may not use information I obtain in the review process to affect the financial interests of myself or others.

Conflicts of Interest

I understand and agree that:

- I shall not take official action, including but not limited to participation in the proposal review and selection process, that impacts the financial interests of the following individuals or entities:
 1. Myself;
 2. An immediate family member (“immediate family member” means parent, spouse, life partner, child, sibling, or like relative-in-law);
 3. A business with which I or a member of my immediate family is associated*; and,
 4. A member of a partnership, firm, corporation or other business organization or professional association organized for profit for which I am also a member.

**A business with which one is associated includes serving as a director, officer, owner, or employee of a business, whether or not the business is organized for profit. For example, this may include service as either a compensated or non-compensated member of the board of directors for a non-profit organization*
- If any such relationship exists with an applicant who submitted a proposal in response to this RFP, I must disclose the relationship and disqualify myself from reviewing and evaluating any proposals submitted in response to this RFP, as described in Section 20-608 of the Philadelphia Code.

- Having no such conflict, I agree to base my review and evaluation only on factors and information that the [Name of Contracting Department] and the City have determined are relevant to the proposal review process.
- Should a conflict of interest arise in the future based on information not known to me at the time of this certification, I will immediately disclose the conflict in writing to the Department Commissioner/Head or his/her designee and any other legally required entities and disqualify myself from any further review and evaluation of any proposal submitted in response to this RFP as required by Section 20-608 of the Philadelphia Code.

I certify that I have reviewed and agree to comply with the requirements of this Confidentiality and Conflict of Interest Statement. I further certify that I have no conflict of interest with regard to the subject RFP and review process.

Signature

Print Name

Appendix C: Sample Scoring Sheet

	Evaluation Factor	Points	Proposer			
Core	Past Performance					
	Safe Completion	10				
	Timely & Cost-Effective Completion	10				
	Plan and Spec Compliance	10				
	EOP	10				
	W/MBE Plan	10				
	Management Plan					
	Management Team / Key Personnel (Incl. Subs)	10				
	Technical Approach & Quality Control	10				
	Schedule					
	Proposed Schedule	10				
Other	Staffing/Training/Safety					
	Staff	10				
	Safety Training and Plan	10				
Price	Total	100				
	Price Calculation					
	Total	40				

Evaluator Name: _____

Title: _____

Evaluator Notes