



CITY OF PHILADELPHIA

PROCUREMENT DEPARTMENT
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Trevor Day
Procurement Commissioner

April 28, 2017

Dear Vendor:

This letter is to inform vendors interested in doing business with the City of Philadelphia of an important upcoming action regarding the process for awarding future contracts.

A question will appear on the ballot for the May 16, 2017, municipal primary election, asking voters to vote on a change to the Philadelphia Home Rule Charter that would amend the lowest responsible bidder provision and incorporate Best Value criteria. The City's procurement rules around lowest responsible bidder haven't been updated since the City's Charter was adopted in 1951. On the May ballot, the following question is to be answered "yes" or "no" by voters:

Shall The Philadelphia Home Rule Charter be amended to allow for the award of certain contracts based on best value to the City?

This initiative – known as Best Value -- would allow the Procurement Office to award contracts based on other factors, including past performance, budget and schedule – important criteria that we cannot currently consider when awarding contracts in Public Works. It will also enable us to evaluate bidders on workforce diversity and meeting or exceeding M/W/DSBE goals, a large part of the Administration and City Council's commitment to diversity and inclusion.

Best Value is a practice used in cities and states throughout the country, as well as the federal government. Eighteen of the 20 largest cities in the United States have adopted a Best Value process.

What does this mean to vendors? If approved, the Procurement Department will lead this process in a consistent, transparent and centralized manner throughout the City. Best Value would apply only to the most complex bids, which represent approximately 5 percent of City contracts, or 10-12 contracts, annually.

Specifically, the process would include:

- Thorough and transparent regulations publicly posted on Procurement's website
- Evaluation criteria and weightings included up front with the opportunity
- A centralized, consistent, transparent method run by the Procurement Department
- Bid evaluation by a committee of stakeholders and departmental technical experts throughout the City

Please also keep in mind that vendors interested in Best Value opportunities will be required to comply with section 17-1400 of the Philadelphia Code, this includes providing disclosures on things such as campaign contributions. More information will be provided on this as we move forward.

Please feel free to contact the Procurement Office should you have any questions or concerns about the information provided in this letter.

Sincerely,

A handwritten signature in blue ink that reads "Trevor J. Day".

Trevor J. Day
Procurement Commissioner

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Best Value

is the best choice for Philadelphia!



Vote Yes!
on May 16th!

Ballot question:

Shall the Philadelphia Home Rule Charter be amended to allow for the award of certain contracts based on best value to the City?

WHAT IS BEST VALUE?

- Best Value changes the way the City of Philadelphia purchases goods and services, such as supplies, equipment or construction services.
- The current rules require the City to choose the business offering the lowest price, regardless of quality. When the service is complicated, this doesn't always make sense.
- Changing to Best Value will allow the City to choose vendors for these jobs based on important factors other than just price, including quality!

VOTING FOR BEST VALUE WILL:

- Create a clear and transparent process to help the City modernize and streamline the way it buys goods and services – a win for local citizens and businesses.
- Allow the City to look at multiple factors when awarding contracts – such as a business' past performance on similar work, their ability to meet diversity goals, as well as price.

WHY NOW?

- Best Value is commonly used across the country, in the federal government, the Commonwealth of Pennsylvania and 18 of the 20 largest cities in the U.S.
- By modernizing the way the City buys goods and services, Best Value will put us on a level playing field with other cities and states.

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While Philadelphia is not the first to make the shift to Best Value procurement – it is admirable that city leaders like Mayor Kenney are taking the much-needed first step to more progressive procurement practices.

– Forbes.com –