



# CITY OF PHILADELPHIA

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CHRISTINE DERENICK-LOPEZ  
Chief Administrative Officer

May 11, 2018

The Honorable Darrell Clarke  
City Council President  
City Hall, Room 490  
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the April 16, 2018 hearing before the Committee of the Whole on the Fiscal Year 2019 proposed budget for the Office of the Chief Administrative Officer. At this hearing, the following questions were asked:

**Councilman Henon:**

1. Please provide non-proprietary information on findings and next steps in regards to prompt pay.
2. Please provide a list of the improvements made, outreach done, and next steps around invoicing.

The goal of the Vendor Slow Payment project is to understand vendor invoice submission and payment process from end to end. The CAO will create a process map of the City's payment process, which identifies the key action items that take place at each step of the process from invoice submission and intake to the payment voucher review and final payment. The CAO will identify the main pain points and challenges at each step of the process and will recommend potential efficiencies that could be implemented to ensure prompt payment to all vendors.

Milestones to date:

- o Key stakeholder meetings held with Procurement, Finance, Controller's Office, OEO, Revenue, and Treasury
- o CAO drafted a citywide payment process map based on these stakeholder meetings; process map includes potential number of days involved in the process at each step
- o Issues and pain points in the payment process identified by stakeholder group
- o CAO conducted an analysis of available payment data from FAMIS and B2G Now

- o In connection with the Administration's strategic focus on increasing M/W/DSBE opportunities, the team reviewed institutional barriers to timely payment to M/W/DSBEs at the subcontractor level and identified preliminary reasons/barriers to timely payment
- o Meeting with Streets, OIT, Fire, and Water department (high-volume departments) to understand their invoice intake process and pain-points in the process

**Next Steps:**

- o Draft recommendations based on key stakeholder meetings and department meetings
- o Draft Current State Process Maps based on high volume user departments; individual department-level process maps to identify differences in the workflow
- o Creation of journey/customer map for the payment process

**Councilwoman Blackwell:**

1. Please provide a breakdown of the languages spoken in your public facing and non-public facing divisions.

Below is a listing of the number of bi-lingual staff and languages spoken by divisions within the Office of the Chief Administrative Officer. In addition to bi-lingual staff, both of our public-facing divisions also have access to telephonic interpretation services.

<b>Division</b>	<b>Public Facing?</b>	<b>No. of Bi-Lingual Staff</b>	<b>Languages Spoken</b>
Bureau of Administrative Adjudication	Yes	2	▪ Spanish
Contract Legislation Unit	No	0	-
Human Resources & Talent	No	0	-
Office of Administrative Review	Yes	1	▪ Spanish
Office of Open Data & Digital Transformation	No	4	▪ Hindi ▪ Italian ▪ Hebrew ▪ French
Strategic Direction	No	2	▪ Spanish

**Councilman Domb:**

The Procurement Department awarded a contract for reverse auction services in FY17. Since that time, we have conducted 10 events with the vendor. By way of background, this process allows vendors to bid and then re-bid against each other until the lowest price is reached.

The chart below includes a list of commodities where costs have been reduced through reverse auctions, as compared to the most recent competitively sealed bid for each item. The City is not bound to award a contract if costs are not reduced.

While the City has achieved a reduction on the price of certain commodities through reverse auctions, the price of other commodities has increased over time. As a result, the City has not achieved reductions in total costs from prior years with reverse auctions. However, it is likely that

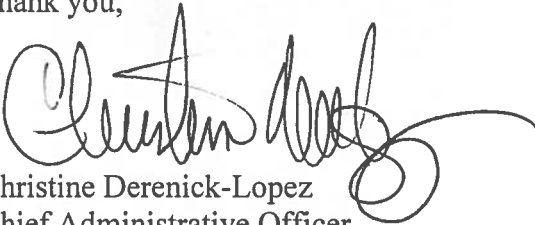
total costs would have been higher had the City not implemented reserve auctions to achieve the lowest possible price on these commodities.

Additional reverse auction opportunities are being identified for FY18 & FY19.

<b>Product</b>	<b>Reductions in price compared to most recent competitively sealed bid (%)</b>	<b>Reductions in price compared to most recent competitively sealed bid (\$)</b>
Toilet Paper	-24.68%	-\$92,818.06
Recycling Bins	-30.25%	-\$144,200.00
Toweling & Wash Cloths	-33.00%	-\$25,400.00
Water Treatment Chemicals	-1.00%	-\$10,077.00
Concrete Slabs	-13.00%	-\$41,084.00

If you have any additional questions, please feel free to contact my office.

Thank you,



Christine Derenick-Lopez  
Chief Administrative Officer  
City of Philadelphia