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**CITY OF PHILADELPHIA PROFESSIONAL SERVICES CONFORMANCE  
REFORM**

Final Report

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**Executive summary**

The City of Philadelphia’s professional services contracting system is at a pivotal moment. Each year, the City partners with nonprofit and for-profit organizations to deliver essential services to residents. The City signs nearly 2,300 professional services contracts annually, averaging \$3.8 billion total, to care for its children, provide mental health and substance use services, engage the community to reduce gun violence, and much more. Yet, the vast majority of these contracts are not executed (or “conformed”) on time. Without a conformed contract, the City cannot pay for work performed, delaying the flow of funding, straining vendor operations, and putting essential services for residents at risk.

**Between FY20 and January FY25, 90% of professional services contracts were conformed after their start date, representing \$3.4 billion in late contracts annually.**

For many professional services vendors, especially those in the human services sector, the contracted services they provide are essential for residents and cannot be delayed until conformance is completed. To meet this essential community need, vendors regularly start work without a contract in place and incur the expenses of doing the work (*e.g.*, paying staff, rent, *etc.*) without knowing when they will be compensated by the City. Organizations without significant cash reserves often open lines of credit to fund operating costs (*e.g.*, staff salaries and rent) between the contract start date and the City’s first payment. Delayed payments and interest costs only compound the myriad challenges organizations are facing with federal funding instability, the state budget impasse, and the always-challenging, high-need, limited-funding environments they heroically manage daily.

Over 2024 and 2025, the Pew Charitable Trusts (“Pew”) and its research partner Bennett Midland, sought to support the City in understanding opportunities to strengthen its contracting processes and to develop recommendations that aim to reduce contracting delays and the associated administrative burdens that contracted service providers and City staff experience today. In close collaboration with the City, Bennett Midland and Pew conducted an analysis of administrative contracting data, facilitated interviews with over 80 stakeholders (including City staff members, nonprofit vendor partners, and outside experts), and reviewed examples of procurement reform efforts from peer jurisdictions.

The key finding of this collaboration is that **the systemic delay in conformance is not due to inefficiency in the conformance process itself, but rather to the overwhelming volume of contracts moving through the system.** The primary driver of this excessive volume is the City’s reliance on one-year contracts for multi-year programs. **60% of contracts that the City executes each year are routine annual renewals;** most of these contracts would have been unnecessary had the City been able to sign a multi-year contract at the outset.

To comply with the City Charter (§2-309) which requires City Council approve any contract with a term longer than one year, the City relies primarily on one-year contracts with up to four one-year renewals. The Charter’s one-year contract policy originates from a law governing the Commonwealth of Pennsylvania over 100 years ago (First Class City

Government Law of 1919), is out of step with peer jurisdictions, and has created a bottleneck that no amount of process optimization alone can resolve.

**Once the conformance process begins, contracts move relatively swiftly;** the City finalizes the most complex contracts in a median of 97 days, in line with its own goals and that of peer jurisdictions and the federal and state government. **However, the City is not starting the conformance process early enough to allow for on-time conformance. 65% of all contracts start their conformance journey on or after the contract’s start date,** guaranteeing late conformance. City contracting staff both need and seek training, shared resources, and collaborative support to improve these operational issues and upskill themselves.

Despite these challenges, the City has already taken meaningful steps toward reform. **Mayor Cherelle Parker’s administration has prioritized procurement transformation,** launching a whole-of-government effort in 2024 to clear backlogged contracts, committing to completing and implementing a comprehensive overhaul of digital systems through OPAL, and expanding expedited contracting mechanisms, among other initiatives. The City has also engaged directly with vendors and convened a cross-departmental Working Group to guide reform efforts. These actions demonstrate a commitment to making government more responsive, efficient, and business-friendly.

This report identifies 26 recommendations that, if implemented, will address the City’s most serious conformance challenges and unlock the potential for lasting transformation. The report identifies five priority recommendations among the 26, including:

1. **Revise the City Charter to enable departments to enter multi-year contracts** directly, without legislative approval.
2. **Coordinate approvals and planning for Q1 contracts,** which currently face the greatest delays due to budget timing and volume spikes.
3. **Redefine and resource the Procurement Department** to lead the City’s professional services contracting function, shifting its role from compliance enforcer to strategic partner.
4. **Develop a comprehensive citywide training program** for conformance and program staff to ensure consistent, informed, and efficient contract management.
5. **Maintain and expand targeted support for departments** to conform backlogged contracts, building on the success of recent high-touch interventions.

Together, these recommendations offer a roadmap for reform that is both ambitious and achievable. With continued leadership, collaboration, and investment, Philadelphia can transform its procurement system into one that consistently conforms and pays contracts on time, supports vendors, and ensures the reliable delivery of critical services to Philadelphians.

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**Introduction**

The City of Philadelphia (“the City”) works closely with nonprofit and for-profit partners to deliver essential services to thousands of residents each year. Contracted partners manage homeless shelters, care for the City’s children, provide mental health and substance abuse services to residents, and run after school programs, among many other core government functions. As of January of fiscal year 2025, the City spent close to an average of \$3.8 billion annually on professional service contracts (n=2,402).<sup>1</sup> For perspective, in FY24, the City spent \$4.5 billion on salaries and benefits (e.g., health insurance, workers compensation, pension).<sup>2</sup>

Like other jurisdictions across the country, the City of Philadelphia faces a core challenge in its procurement process: contracts are rarely executed or “conformed” prior to the contract’s start date (“on time”), a requisite for paying invoices for work performed. Between July 2020 and January 2025, only 10% of the City’s professional services contracts were conformed on time.<sup>3</sup>

Delays in conformance produce consequences felt by vendors across the procurement system and Philadelphians who rely on their services.

- **Delays in payment:** When a contract is not conformed on time, the contracted service provider must regularly begin work or continue existing work without a contract and without the ability to get paid. For many professional services vendors, especially those in the human services sector, the contracted services they provide are essential for residents and cannot be delayed until conformance is completed. For example, a nonprofit organization managing a City-contracted homeless shelter cannot simply stop operating because their contract renewal is delayed. Instead, vendors incur the expenses of doing the work (i.e., paying rent, paying staff) before a contract is conformed and payment begins.
- **Lines of credit:** According to nonprofit leaders, organizations without significant cash reserves need to have a line of credit to fund operating costs between the contract start date and the City’s first payment. When nonprofits take out loans to cover operating expenses prior to City payment, interest on these loans is not reimbursed by the City. This creates a significant cost for the nonprofit, particularly in periods of high interest rates. Additionally, there are limits on the amount of credit that nonprofits are able to access, which can leave nonprofits without the ability to fully cover their expenses and at risk of default.
- **Impact on small organizations and/or those led by people of color:** The informal requirement of a line of credit, associated interest payments, and stress of caring for staff and residents in an uncertain funding environment dissuades potential small

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<sup>1</sup> See Finding 1 on page 11.

<sup>2</sup> City of Philadelphia. (2025, June). *The Mayor’s Operating Budget in Brief for Fiscal Year 2026: As Adopted by The Council – June 2025*. City of Philadelphia Budget Office.  
<https://www.phila.gov/media/20250728120451/budget-in-brief-FY2026-approved-2.pdf>

<sup>3</sup> See Finding 2 on page 11.

vendors, often led by people of color, from being able to do business with the City.<sup>4</sup>

The City's vendor community has been increasingly vocal about the impact that delays in conformance have on their ability to effectively deliver services to residents and meet their financial obligations.<sup>5</sup> In 2025, these challenges have only been amplified by payment delays caused by the Pennsylvania state budget impasse and reductions and uncertainties in federal funding.<sup>6, 7</sup> The City's procurement system was further changed this year with the Philadelphia City Council's repeal of the nonprofit exemption, a provision which allowed 12 City departments named in the City code to contract directly with qualified vendors, bypassing the standard competition requirements.<sup>8</sup>

Since assuming office in January 2024, Mayor Parker has prioritized making government more responsive and efficient, including a sharp focus on economic opportunity in Philadelphia. The administration's procurement reform priority supports Philadelphia in becoming more business-friendly while addressing entrenched, longstanding operational challenges. The administration's ongoing initiatives include interim steps that are intended to mitigate procurement challenges now, as well as root cause corrections to address long standing issues.

#### *Interim solutions*

- A whole-of-government effort in Fall 2024 to conform and pay 550 backlogged contracts over the course of a five-week sprint;<sup>9</sup>
- Relying on the leadership of a conformance group composed of senior City leaders, the City developed and operationalized a mandate to utilize a streamlined contracting mechanism for all amendments;

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<sup>4</sup> Woodland, K. S. (2023, June 29). Running a nonprofit is personal, pressure-filled, and painful. Leaders need more support. *The Philadelphia Inquirer*. <https://www.inquirer.com/opinion/commentary/black-leader-nonprofit-pressure-miles-wilson-20230629.html>; Pearson, M. (2024, May 29). Dear Philly, please pay your providers. *The Philadelphia Citizen*. <https://thephiladelphiacitizen.org/guest-commentary-dear-philly-please-pay-your-providers/>

<sup>5</sup> Ibid.

<sup>6</sup> Levy, M. (2025, July 31). Schools and counties begin to see payment delays as Pennsylvania's budget stalemate hits a month. *The Philadelphia Tribune*. [https://www.phillytrib.com/news/state\\_and\\_region/schools-and-counties-begin-to-see-payment-delays-as-pennsylvanias-budget-stalemate-hits-a-month/article\\_b51b578f-7fe7-421c-9bb0-c45456ac43eb.html](https://www.phillytrib.com/news/state_and_region/schools-and-counties-begin-to-see-payment-delays-as-pennsylvanias-budget-stalemate-hits-a-month/article_b51b578f-7fe7-421c-9bb0-c45456ac43eb.html)

<sup>7</sup> Marks, G. (2025, July 1). As DOGE cuts take effect, Philly-area small nonprofits are trying to adapt. *The Philadelphia Inquirer*. <https://www.inquirer.com/business/small-business/nonprofit-organizations-federal-funding-cuts-20250701.html>

<sup>8</sup> The City Council, City of Philadelphia. (2024). *Bill 240379*. City of Philadelphia. <https://phila.legistar.com/LegislationDetail.aspx?ID=6655500&GUID=9826D0A4-309B-46E6-B492-B6B408045E92>

<sup>9</sup> City of Philadelphia. (2024, October 31). *Mayor's Press Conference 10-31-2024* [Video]. YouTube. [https://www.youtube.com/watch?v=UjRegrUm\\_3o](https://www.youtube.com/watch?v=UjRegrUm_3o)

- Key City leaders, including the CAO's office, have engaged directly with vendors more frequently, listening to key challenges and understanding opportunities for support; and
- The Procurement and Finance Departments have embarked on an initiative to create a vendor support team, which will provide dedicated technical assistance to help vendors navigate the City's contracting environment.

### *Long-term system changes*

- A comprehensive package of proposed reforms to the City Charter and Code for the consideration of the City Council (and, ultimately, City voters for Charter revisions) that would modernize the City's procurement system, including providing City departments to the authority to sign contracts with multi-year terms and adjusting the threshold for expedited contracting of smaller contracts;<sup>10</sup>
- A complete overhaul of the City's digital contracting and financial management systems (Optimizing Procurement and Accounting Logistics, OPAL), initiated in 2019 by the previous administration and expected to launch in Summer 2026, that will replace multiple digital systems with a single, primary system that includes appropriate integrations, improving the efficiency and efficacy of the City's contract management;<sup>11, 12</sup>
- High-touch support, led by the CAO's office, to support contracting departments in conforming backlogged and/or complex contracts and plan for conformance of future contracts;<sup>13</sup> and
- Engaging an external contractor to review the City's current library of contracting templates, identify gaps, and develop new materials to meet the City's needs.<sup>14</sup>

The City's delayed and onerous conformance process hindering vendors' ability to get paid on time is a longstanding issue. Prior administrations have introduced notable reform efforts, although repeated attempts have not fully resolved the City's challenges. For example,

- In 2012-2013, Mayor Nutter's FastFWD initiative streamlined and codified the procurement process for pilot projects, shortening the paperwork required for a typical RFP from 47 to 18 pages.
- The Kenney administration launched PHL Contracts in 2016, an online platform that allows for electronic bidding and signatures on services and supplies contracts and, in 2020, introduced the Contracts Hub, which centralizes information on most contracting opportunities into a single searchable database.

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<sup>10</sup> See Recommendations 1.1 and 1.2 on page 38-39.

<sup>11</sup> City of Philadelphia Office of the Chief Administrative Officer. (2023, December). *Modernizing Philadelphia Municipal Government, 2016-2023*. City of Philadelphia. <https://www.phila.gov/media/20231221134116/CAO-Modernizing-Phila-Municipal-Government-December-2023-Final.pdf>.

<sup>12</sup> See Finding 10 on page 33.

<sup>13</sup> See Recommendations 4.3a and 4.3b on page 55-56.

<sup>14</sup> See Recommendation 2.2 on page 45.

Now, Mayor Cherelle Parker’s administration and the City’s service provider partners have identified the acute need to transform the procurement system.<sup>15</sup>

### Pew Charitable Trusts’ support

The Pew Charitable Trusts’ Philadelphia research and policy initiative (“Pew”) seeks to inform discussions on important issues facing the City and to provide policymakers with data and promising practices that may help address key challenges. Through this multi-year engagement, Pew seeks to support the City in understanding opportunities to strengthen contracting and payment processes and to develop recommendations that aim to reduce contracting delays and the associated administrative burdens that contracted service providers and City staff experience today. The first phase of this work, in 2024, focused on:

1. Understanding the nonprofit experience of contracting with the City, and
2. Conducting a landscape scan of successful municipal contracting reform efforts.

In 2025, the second phase of this effort focused on collaborating with a Working Group of City leaders to:

1. Develop a robust understanding of the City’s conformance system through rigorous quantitative and qualitative analysis, and
2. Prepare an impactful slate of feasible recommendations designed to support on-time conformance.

Beyond Mayor Parker’s administration and the philanthropic and nonprofit vendor community, the City Council has also taken an active role in advancing procurement reform to support the needs of the City’s vendors and residents. In 2024, the City Council, led by Majority Leader Katherine Gilmore Richardson, established the Non-Profit Provider Task Force to solicit feedback from nonprofit and community stakeholders and formulate recommendations to respond to the City’s challenges. The Task Force published its final report in December 2024, making seven recommendations that largely align with recommendations made in this report.<sup>16, 17</sup>

The administration has reported a real impact as a result of its nascent reform efforts, including improved timely conformance of FY26 contracts relative to FY25. While not all FY26 contracts have been routed or conformed, early indicators are promising. When ongoing reforms are implemented successfully, alongside additional recommendations made in this report, the administration—with the support of the City Council, the City’s philanthropies, and the vendor community—can transform its procurement system and become a true partner to the contractors delivering essential services to Philadelphia residents.

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<sup>15</sup> City of Philadelphia. (2024, November 1). Press release. “Mayor Cherelle L. Parker Details Action Plan to Streamline and Improve City Contracts Process.” <https://www.phila.gov/2024-11-01-mayor-cherelle-l-parker-details-action-plan-to-streamline-and-improve-city-contracts-process/>

<sup>16</sup> See recommendation overview on page 36.

<sup>17</sup> The City Council of Philadelphia. (2024, December 4). Report of the Philadelphia City Council, Not-for-Profit Task Force. <https://drive.google.com/file/d/1hN3t3PUOEAVGGqPvvC7zT2JSikClbIQK/view?usp=sharing>

## Methodology

This report includes quantitative and qualitative analysis of the City’s professional services procurement system that took place between December 2024 and September 2025.<sup>18</sup> Bennett Midland, in partnership with Pew, analyzed the current system to make recommendations that support the City to conform and pay professional services contracts on time.

This analysis is specifically focused on the conformance process. In an earlier phase of this work, nonprofit vendors consistently reported that they believed conformance was the primary challenge leading to delayed payment (rather than the invoicing and payment process). The scope of the analysis was guided by this insight and the City’s corroboration that conformance had been a significant, unsolved challenge over multiple administrations.<sup>19</sup>

### *Working Group*

In November 2024, the CAO empaneled a Working Group of City leaders with the experience, expertise, perspective, and power to drive the development and implementation of high-impact reforms.<sup>20</sup> Leaders from contracting (e.g., Department of Human Services, Department of Public Health) and oversight departments (e.g., CAO, Finance, Law), Procurement Department, and the Mayor’s Office met monthly to confirm the research plan, review research findings, surface topics for further inquiry, and discuss and align on solutions, which are presented in this report as the recommendations for implementation.

### *Primary research activities and goals*

We employed a mixed-methods approach that integrated a quantitative analysis of the City of Philadelphia’s professional services conformance data and qualitative findings from interviews with City staff with insights from a high-level staff survey and targeted desk research. The objectives of the research were to:

- Evaluate the performance of the City’s conformance ecosystem;
- Uncover structural and procedural inefficiencies in Philadelphia’s professional services conformance process leading to pain points for both vendors and City staff;
- Benchmark performance against federal, state, and peer-city standards; and
- Project the impact of proposed reforms.

Each component was designed to build a foundation for assessing conformance performance for professional services contracts and developing evidence-based, actionable recommendations ranging from short-term interventions to long-term systems change.

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<sup>18</sup> See Appendix A for a complete accounting of our methodology.

<sup>19</sup> The City should consider a parallel analysis of its payment and invoicing process to identify challenges and opportunities for improvement. However, data availability and quality will make this challenging. The City’s Financial Accounting and Management Information System (FAMIS) has been in use for 40 years and does not collect or retain data necessary to do a complete analysis (City of Philadelphia presentation to Non-Profit Task Force, September 2024, <https://phlcouncil.com/wp-content/uploads/2024/10/Non-Profit-Task-Force-9.27.24-Payment-Process-Slides-Final-.pdf>). A future analysis would, likely, require creating and analyzing a new dataset for this purpose.

<sup>20</sup> See Appendix B for the Working Group charter and membership.

**Findings**

The conformance process describes the stage of procurement between the moment a contract opportunity is officially uploaded to the Automated Contract Information System (ACIS), the City’s internal system (*i.e.*, “Routed”), through the point at which every required approval point for both the City and the vendor has been secured and the contract is executed (*i.e.*, “Conformance”).<sup>21</sup> The conformance process does not include the internal development of a scope of work, which occurs prior to routing, or the payment and invoicing process, which can only take place following conformance.

Within the professional services conformance process, there are different contracting mechanisms conformance staff can use to advance a contract. Each mechanism follows a unique process flow, adding or eliminating approvals as appropriate.<sup>22</sup> All contracting methods require approval of the Procurement Department (Procurement), Law Department (Law), the Office of the Director of Finance (Finance), and the Office of Economic Opportunity (OEO).<sup>23</sup>

Anchored in rigorous analyses of the City’s professional services conformance system, this report offers ten findings organized across five categories:

1. Current state of the conformance system;
2. Contract volume and planning;
3. Process timelines and expedited pathways;
4. Organizational capabilities and gaps; and
5. Vendor support.

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<sup>21</sup> See Appendix D.

<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid.*

## Current state of the conformance system

*Finding 1: Between FY20-January FY25, the City of Philadelphia conformed an average of 2,269 professional services contracts, at a value of \$3.8 billion, per year.*

The City of Philadelphia works closely with nonprofit and for-profit partners to provide many of the core functions of local government. Across the 48 departments reviewed, there is a wide range in the average number of professional services contracts conformed annually—ranging from 353 contracts for the Department of Human Services to less than one annual contract for the Board of Ethics. Five of the seven departments with the highest contract volume (500+ total contracts across FY20-January FY25) work primarily in the human services sector.<sup>24</sup> The Department of Human Services and the Department of Public Health stand out as the departments with the highest volume of contracts, conforming on average at least 100 more contracts per year than other high-volume departments.<sup>25</sup>

Departments largely manage the contracting process for their own contracts, rather than relying on a centralized City office. Department conformance staff are responsible for shepherding a contract through the conformance process, securing approvals from oversight departments (*i.e.*, CAO, Finance, Law, OEO, and Procurement), and ultimately signing the contract.

*Finding 2: Between FY20-January FY25, 90% of contracts were conformed after the contract start date. The City cannot pay vendors for work performed until after a contract is conformed.*<sup>26</sup>

90% of all professional services contracts conformed between FY20-January FY25 were conformed after the contract start date (this report considers these contracts to be conformed “late”). The value of late contracts between FY20-January FY25 is \$3.4 billion annually, nearly 90% of the total value of all professional service contracts.<sup>27</sup>

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<sup>24</sup> Human Services, Public Health, Office of Homeless Services, Planning and Development (DHCD), and Law.

<sup>25</sup> City of Philadelphia. (2020-2025). *Conformance performance report*. [Unpublished]; City of Philadelphia. (2020-2025). *Conformed item history report*. [Unpublished].

<sup>26</sup> The City can issue a Notice to Proceed (NTP), which authorizes retroactive payment in the rare case where the vendor begins work during the conformance process but the contract is ultimately not executed. An NTP requires a final draft of the scope of work and the contracting department must solicit approval by Procurement, Law, Finance, and CAO (all approvals happen via email, not ACIS). Issuing a Notice to Proceed does not appear to be a widely used practice. However, it was impractical to quantify its use due to the City conducting the approval process outside of ACIS.

<sup>27</sup> City of Philadelphia. (2020-2025). *Conformed item history report*. [Unpublished].

**Table 1: Trends in timely vs. late conformance (FY20-January FY25)**

| Conformance timeline relative to contract start date | Number of contracts | % share of contracts |
|--|---------------------|----------------------|
| On-time/early  | 1,295               | 10%                  |
| 1-30 days after start date                           | 1,337               | 11%                  |
| 31-60 days after start date                          | 1,816               | 15%                  |
| 61-90 days after start date                          | 1,854               | 15%                  |
| 91-120 days after start date                         | 1,523               | 12%                  |
| 121-150 days after start date                        | 1,150               | 9%                   |
| 151+ days after start date                           | 3,480               | 28%                  |

Source: FY20-January FY25 Conformance Performance reports, City of Philadelphia

For many professional services vendors, especially those in the human services sector, the contracted services they provide are essential for residents and cannot be delayed until conformance is completed. This poses a serious challenge to the financial wellbeing of the City’s vendor partners, who must incur the expenses of doing the work (which includes paying staff, rent, *etc.*) but cannot get paid for services performed until after a contract is conformed. According to nonprofit leaders, organizations without significant cash reserves often open lines of credit to fund operating costs between the contract start date and the City’s first payment. When nonprofits take out loans to cover operating expenses prior to City payment, interest on these loans is not reimbursed by the City, creating new financial costs. Additionally, there are limits on the amount of credit that nonprofits are able to access, which can leave nonprofits without the ability to fully cover their expenses.

The City Controller’s April 2024 review of the Community Expansion Grant program identified as problematic the City’s request that an organization provide services prior to a contract being conformed and recommended the City stop the practice.<sup>28</sup> While this recommendation would reduce the City’s risk, it is unfortunately impractical. Essential services provided by vendor partners cannot just stop; this would require, for example, closing needed shelters, moving people living there out, laying off staff, *etc.*, only to reopen the shelter upon conformance.

<sup>28</sup> Office of the Controller. (2024). *Review of the Community Expansion Grant Program*. City of Philadelphia. [https://controller.phila.gov/wp-content/uploads/2024/04/CityController\\_Review-of-Community-Expansion-Grant-Program\\_April2024.pdf](https://controller.phila.gov/wp-content/uploads/2024/04/CityController_Review-of-Community-Expansion-Grant-Program_April2024.pdf)

Finding 2a: Delays across the professional services conformance system are widespread and cannot be attributed to a single department.

Across all 48 departments reviewed, none conformed more than 40% of their contracts before the contract start date. 36 departments (78%) achieved on-time conformance in fewer than 20% of their contracts, with 25 of those departments achieving on-time conformance in fewer than 10% of contracts. Only ten departments (21%) conformed at least 20% of their contracts prior to the start date.

**Table 2: Conformance performance in departments with 300+ professional services contracts (FY20-January FY25)**

| Department   | Total contracts | Contracts conformed on time | % conformed on time |
|--|-----------------|-----------------------------|---------------------|
| City Treasurer   | 323             | 120                         | 37%                 |
| Water Department   | 981             | 273                         | 28%                 |
| Commerce Department  | 1112            | 266                         | 24%                 |
| Office of Innovation and Technology                                  | 390             | 93                          | 24%                 |
| Department of Parks and Recreation                                   | 310             | 65                          | 21%                 |
| Law Department   | 581             | 80                          | 14%                 |
| Managing Director’s Office   | 596             | 25                          | 4%                  |
| Department of Public Health  | 1682            | 47                          | 3%                  |
| Department of Planning and Development                               | 637             | 7                           | 1%                  |
| Office of Homeless Services  | 1084            | 11                          | 1%                  |
| Department of Human Services   | 1941            | 11                          | 1%                  |
| Department of Behavioral Health and Intellectual Disability Services | 352             | 1                           | 0%                  |

Source: FY20-January FY25 Conformance Performance reports, City of Philadelphia

## Contract volume and planning

*Finding 3: The primary contributor to late conformance is an overwhelming volume of contracts that strains the system annually. The main reason for the excessive contract load is that the City relies on one-year contracts for multi-year programs better suited for multi-year contracts.*

There are too many professional services contracts moving through the City's contracting system each year for the City's current staff and infrastructure to support. This is the single most significant cause of conformance delays. While there are opportunities to improve the conformance system from multiple avenues, the fundamental challenge of late conformance cannot be solved without the City meaningfully reducing the number of contracts moving through the conformance system.

Currently, Philadelphia's Home Rule Charter requires that the City Council approve most contracts with a term of more than one year (Chapter 2-309).<sup>29</sup> This provision has, in practice, created a system where contracting departments only sign one-year professional services contracts, even for a multi-year program with a longtime vendor. This limitation requires the contracting department and the vendor go through a conformance process every year (as opposed to, for example, a five-year contract which would require only one contracting process every five years).

Philadelphia is an outlier among peer jurisdictions in utilizing one-year contracts (see Table 3 below). While other jurisdictions have maximum contract lengths (*e.g.*, the Commonwealth of Pennsylvania requires additional approvals for contracts over five years), Philadelphia's Charter requirements are exceptionally limiting.

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<sup>29</sup> Philadelphia Charter Commission. (1951). Philadelphia Home Rule Charter (§2-309). American Legal Publishing. [https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia\\_pa/0-0-0-263764](https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-263764). *Note:* The Charter provided a carve-out to these restrictions for the Defender Association of Philadelphia, the Support Center for Child Advocates, and Community Legal Services in §2-309(6)(b). However, a later amendment to the Code revoked this exemption for the Defender Association and Community Legal Services. Philadelphia Code §17-2102. This section of the Home Rule Charter originates from: Pennsylvania General Assembly. (1919). *First Class City Government Law, Act of June 25, 1919, P.L. 581, No. 274, Article XVII, §7*. Laws of the General Assembly of the Commonwealth of Pennsylvania. <https://www.palegis.us/statutes/unconsolidated/law-information/view-statute&txtType=PDF&SessYr=1919&SessInd=0&ActNum=0274>

**Table 3: Landscape analysis: Comparing maximum contract length across major cities**

| Jurisdiction                 | Maximum contract length (without the City Council’s approval) <sup>30</sup>  |
|------------------------------|--|
| Philadelphia                 | One year   |
| Commonwealth of Pennsylvania | No maximum contract; “The appropriate period of time is determined by the purchasing agency and is to be based upon the best interest of the Commonwealth.” Contracts exceeding five years must be approved by the Department of General Services. |
| Chicago                      | Unspecified, however, many posted RFPs are for three-year base contracts.  |
| Houston                      | Unspecified, but intends to “maximize the use of multi-year contracts to ensure a continuous supply of goods and/or services in a cost-effective and timely manner.”   |
| Los Angeles                  | Three years  |
| New York City                | Three years, six years, or nine years (depending on the type of client service contract).  |
| San Francisco                | Ten years  |

The City Council does have the power to authorize a contracting department to enter into a particular multi-year contract. For example, in 2019, the City Council unanimously authorized the Streets Commissioner and the Procurement Commissioner to contract with Waste Management of Pennsylvania, Inc. for municipal waste management over a four-year term, with three one-year renewal terms at the sole discretion of the City.<sup>31</sup> However, this approval is only granted on a case-by-case basis and City departments rarely approach the City Council for this type of approval in the first place. Per interviews with City staff, some departments are not aware that they could go to the City Council for approval of contracts while others made a decision at some point to avoid the potential additional scrutiny.

To balance compliance with the Charter restrictions on multi-year contracts and the need for more efficient contracting processes, departments currently follow a “1+4” contracting structure, developing standard contracts that are structured for an initial one-year term, with a City option to renew for four additional one-year terms. The terms of these contracts often don’t change over the five years. As a result of the reliance on the 1+4 contract structure, 60% of contracts that move through the conformance system are routine annual renewals.

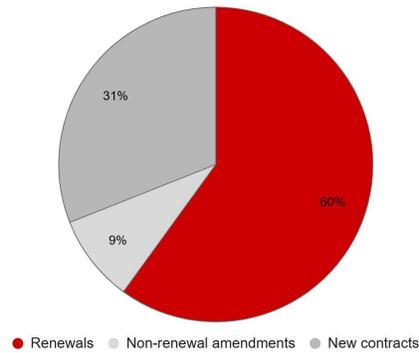
<sup>30</sup> Philadelphia ([Home Rule Charter § 2-309](#)); Pennsylvania ([Procurement Handbook Part 1, Chapter 11](#)); Chicago (For example, [DOE Project No. 01-2025](#) and [CTA B22OP03599](#)); Houston ([Houston Administrative Policy 5-7](#)); Los Angeles ([Los Angeles Administrative Code § 10.5](#)); New York City ([Procurement Policy Board Rules 2-04\(e\)](#)); San Francisco ([San Francisco Administrative Code § 21.9](#)).

<sup>31</sup> The City Council, City of Philadelphia. (2019). *Bill 190469*. City of Philadelphia. <https://phila.legistar.com/LegislationDetail.aspx?GUID=F4690C21-1D8E-4EE7-B910-D225EB848C0F&ID=3955921>

**Figure 1: Proportion of new, routine renewal, and non-renewal amendment contracts across FY20-January FY25**

Even though the changes in renewals are minor and/or routine, the annual amendment process requires contracting department and oversight staff to follow a similar, work-intensive conformance process as they would in the initial year of the contract. For standard contracts that are conformed during each of the four renewal years, the 1+4 structure creates an additional 64 steps (16 steps per year) over 208 days (based on the median conformance timeline of 52 days across contract types) in the conformance process.

Proportion of contracts by status: New contracts, routine renewals, and non-renewal amendments  
Source: FY20-FY25 Item History and Conformance Performance reports, City of Philadelphia

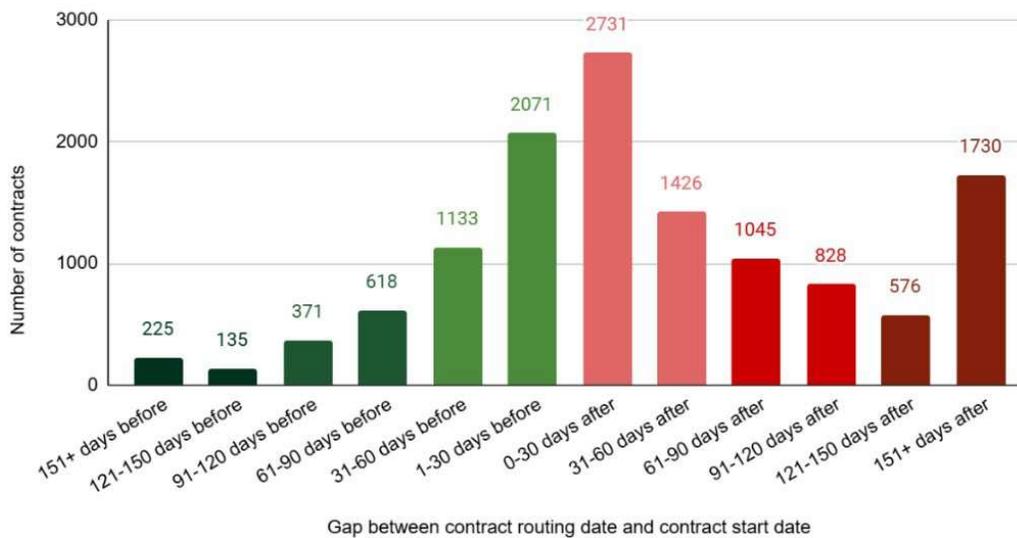


*Finding 4: The City is not starting the conformance process early enough to allow for on-time conformance. 65% of all contracts are routed on or after the contract’s start date, ensuring late conformance.*

Routing is the first step in the conformance process—when conformance staff hit “go” on a contract in ACIS—and begins the formal conformance process. The 65% of contracts routed after the start date (n=8,336) would necessarily be conformed after the contract start date, pushing the possibility of payment to vendors well into the term of a contract. Another 16% of contracts (n=2,071) were routed only 1-30 days prior to start date, leaving little time to move through the full conformance process and making timely conformance unlikely.

**Figure 2: Spread of contracts by the difference between routing and start dates (i.e., routing occurred x days before/after contract start date)**

Distribution of contracts by the difference between routing date and contract start date  
 Source: FY20-FY25 Conformance Performance reports, City of Philadelphia



Delays in routing can negate the effectiveness of departments that are, in fact, conforming contracts relatively quickly. For example, the Department of Human Services (DHS), which handles the largest volume of professional service contracts of any single department across the City, conforms contracts across all types on a median timeline of 37 days between routing and conformance. This is among the fastest conformance timelines across all departments citywide, especially impressive given the significant volume of contracts that DHS handles relative to other departments.<sup>32</sup> However, DHS conformed just 1% (n=11) of its contracts on time.<sup>33</sup> Such an efficient median timeline to conformance coupled with such a low percentage of on-time conformance indicates that the conformance process is beginning too late for even effective conformance practices to enable on-time conformance. Indeed, DHS only routed 8% (n=153) of its contracts prior to the contract start date.

Some departments reported that they conformed contracts late largely because contracts cannot be conformed until funds can be encumbered (such that the Office of the Director of Finance will approve the Initial and Final Certification steps) and encumbrance can't happen until the Mayor signs a budget. The Mayor generally signs the City's budget in mid- to late June each year, leaving little time for the budget to be uploaded to ACIS, departments to encumber funds, and contracts to move through the conformance process prior to contract

<sup>32</sup> Between FY20-Jan. FY25, DHS processed a total of 1,941 contracts. The next closest department, Public Health, processed 1,682, while the next closest after that, Commerce, processed 1,112. Only four departments processed more than 1,000 contracts between FY20-Jan. FY25.

<sup>33</sup> See Table 2 on page 13.

start dates early in the fiscal year.<sup>34</sup> While this timeline makes on-time conformance a challenge, it does not explain why departments are delayed *routing* contracts. Departments need not wait to route contracts until the Mayor signs a budget. Contracts can be routed and moved most of the way through the conformance process prior to funds being available for encumbrance however, this is not the standard practice today. Delays in routing can also be an impact of delays in the solicitation process – if, for example, a departments concludes a competitive proposal process only days prior to the contract start date then there’s little time to route and conform the contract prior to its start.

Departments tend to largely navigate the conformance process according to their own individual plans. The Office of the Chief Administrative Officer and the Procurement Department issue some guidance and provide ad-hoc support. For example, the CAO issued citywide guidance prior to the start of Fiscal Year 2026, calling on departments to route all planned contracts. However, there are insufficient regular, centralized routines and resources that might help ensure that routing occurs on time.

Finding 4a: A majority of the City’s contracts are structured with a start date at the beginning of the fiscal year, which exacerbates the limited planning and routines for timely routing.

The challenge of delays in the routing process is most apparent during the first quarter of the fiscal year. Most departments choose to align contract start and end dates with the fiscal year to ensure budget certainty for the length of the contract and to ease accounting – they know the funds exist for the fiscal year ahead and can encumber all funds. Across the six years of data reviewed, 54% of conformed contracts (n=6,805) had a start date in the first quarter of the fiscal year (July-September).

The uneven volume of contracts that must be conformed in the first quarter leaves staff overwhelmed and unable to efficiently process their contracts before the contract start date. Across the 6,805 contracts with a fiscal year quarter 1 start date, only 6% (n=427) were conformed on time, less than half of on-time conformance in other quarters (13%, 19%, and 15% of on-time conformance rates for contracts with Q2, Q3, and Q4 start dates respectively). In FY24 (the latest year with complete conformance data in this report), only 29% (n=352) of all Q1 contracts (N=1,212) were routed prior to their start date, and only 1% of contracts (n=12) were conformed on time. Staff repeatedly spoke about the challenge of conforming contracts during the first quarter of the fiscal year, reporting that they “dread this time of year.”

Departments are not required to contract on the fiscal year, and some departments start contracts in quarters two to four. For example, the Department of Public Health (PDPH) has contracts that start later in the fiscal year, often aligning with the start of incoming federal funding streams. In these cases, the department will encumber relevant funds for the active

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<sup>34</sup> Mayor Parker signed the FY26 budget on June 13, 2025. City of Philadelphia. (2025, June). *The Mayor's Operating Budget in brief for fiscal year 2026*. <https://www.phila.gov/media/20250728120451/budget-in-brief-FY2026-approved-2.pdf>

fiscal year and then, at the next fiscal year, encumber the remaining necessary funds for that fiscal year. For example, if half of the contract’s expenses are in fiscal year one and half in fiscal year two, the department would encumber 50% of the contract funds in year one and then, when the year two budget is signed, encumber the remaining 50%. In the unlikely circumstance that the City cuts the budget for the contract in fiscal year two, the City’s general provisions in its contracts allow the department to cancel the contract due to lack of funding appropriation.

In 2023, the Office of Homeless Services (OHS), supported by the Chief Administrative Officer and Harvard’s Government Performance Lab, piloted an initiative to move a subset of contracts from the fiscal year to the calendar year in order to ease the strain at the beginning of the fiscal year.<sup>35</sup> While staff reported the pilot was a success, OHS rolled back the progress after the Office of Inspector General (OIG) included references to the pilot in its 2024 investigation into the department’s budget deficit.<sup>36</sup> OIG reports that while the move of some contracts to the calendar year, “clearly did not create the deficit, it added greater variance to the contractor billing and payment cycle.” However, this type of variance in contracting timelines is standard in government procurement, as exemplified by PDPH and other City agencies’ holding contracts that start throughout the year, as dictated by business need.

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<sup>35</sup> The Government Performance Lab’s procurement research initiative has since launched as an independent nonprofit: Partners for Public Good. <https://partnersforpublicgood.org/about/>

<sup>36</sup> Office of the Inspector General, City of Philadelphia. (2024, April 22). Report of investigation: Office of Homeless Services. <https://www.phila.gov/media/20240422080002/OIG-report-OHS-20240422.pdf>

## Process timelines and expedited pathways

*Finding 5: The conformance timeline is not the driver of late conformance—the City’s overall conformance timeline (a median of 97 days for the most complex contracting method) is in range of its current goal of 85 days.*

Measured from the moment that a contract is routed through the time that it is conformed, the City’s average conformance timeline for professional services contracts across all contract types is 52 days.<sup>37</sup> Standard, advertised contracts (*i.e.*, competitively bid contracts) – the contract type with the longest conformance process – take a median of 97 days. The City’s Procurement Department set an average conformance time target for professional services contracts of 80 days for FY25 and 85 days for FY26.<sup>38, 39</sup> The 97-day median for standard, advertised contracts across the full study period is just above this benchmark.

There are limited public comparative benchmarks available from other jurisdictions. However, Philadelphia’s 97-day median also falls within New York City’s recently established recommendation for completing a process comparable to conformance for human-services contracts in 90-120 days.<sup>40</sup> The Interior Business Center, a shared-services unit housed within the federal Department of the Interior, maintains a goal of between 90-180 days to process a complete a contract’s acquisition package and ultimately issue an award for competitive contracts valued at \$150k-\$10M and a goal of 90-150 days for sole source contracts valued at the same range.<sup>41</sup>

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<sup>37</sup> Removing the contracts processed through SOP and micro purchase contracting processes (significantly streamlined approval processes), the median timeline for all other contracts is 54 days. See Appendix C: Glossary of key contracting terms for a detailed definition of each contract type.

<sup>38</sup> City of Philadelphia. (2023). *Analysis of the City's experience with the requirements set forth in Chapter 17-1400 of the Philadelphia Code*. [Unpublished].

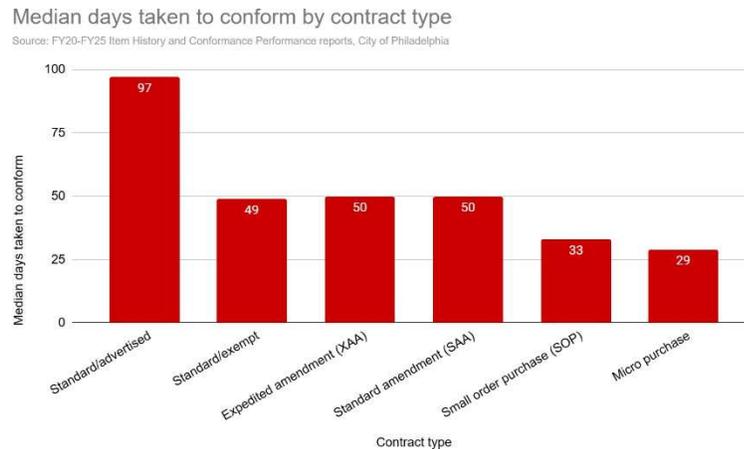
<sup>39</sup> City of Philadelphia. (2025, April). *Procurement Department Fiscal Year 2026 Budget Testimony*. [https://phlcouncil.com/wp-content/uploads/2025/03/FY26-Budget-Hearings-Testimony\\_Procurement.pdf](https://phlcouncil.com/wp-content/uploads/2025/03/FY26-Budget-Hearings-Testimony_Procurement.pdf)

<sup>40</sup> Previously, in a 2023 report to the City Council, the City set a benchmark of 90 days for conforming professional services contracts. See Appendix H. New Mayor's Office of Contract Services, City of New York. (2024, October 1). *Local Law 169 of 2023 report*. <https://www.nyc.gov/assets/mocs/downloads/Regulations/PPB/LocalLaw169Report.pdf#page=5>

<sup>41</sup> Interior Business Center. U.S. Department of the Interior (2024, August 21). *Procurement action lead time categories & goals | IBC Customer Central*. <https://ibc.doi.gov/acquisition/partner-with-us/acquisition-dates-timelines/palt>

**Figure 3: Median conformance timelines, by contract type**

Other contract types – standard, non-advertised (e.g., nonprofit exemption contracts) and contracts processed through expedited mechanisms (i.e., expedited amendments, small order purchases, and micro purchases) – had shorter conformance timelines.



Across all contract types, median conformance timelines by department ranged from 21 days (Department of Fleet Services) to 164 days (Sinking Fund Commission) across FY20-25. The seven departments with the highest contract volume were able to conform contracts well within the City’s FY26 85-day goal. Interviews with conformance staff from these high-volume departments revealed that the presence of strong routine processes, meticulous organization, and regular follow-up with colleagues throughout the conformance system enabled these departments to move contracts relatively quickly through the conformance process.

**Table 5: Conformance timelines for high-volume departments<sup>42</sup>**

| Department             | Total number of contracts (FY20-January FY25) | Median days to conformance across all contract types (FY20-January 2025) |
|------------------------|---|--|
| Human Services         | 1,941   | 37   |
| Public Health          | 1,682   | 50   |
| Commerce               | 1,112   | 42   |
| OHS                    | 1,084   | 39   |
| Water                  | 981   | 83   |
| Planning & Development | 637   | 43   |
| Law                    | 581   | 72   |

Source: FY20-January FY25 Item History and Conformance Performance reports, City of Philadelphia

**Finding 5a: No single step in the conformance process takes an inordinate amount of time.**

Interviews with City staff suggested that contracts can get held up at particular steps for extended periods. For example, we heard that if a staff member at the Procurement

<sup>42</sup> For this analysis, “high-volume departments” are departments that conformed least 500 professional services contracts across the study period.

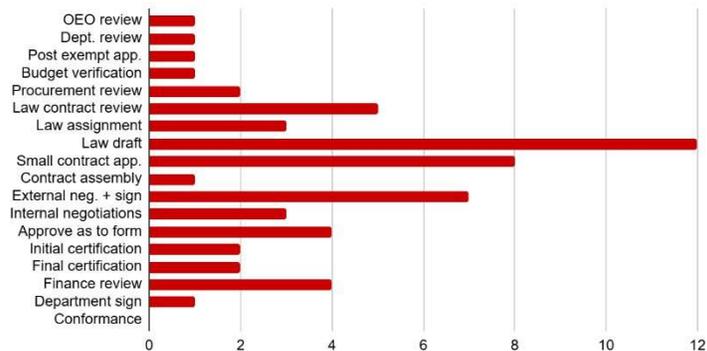
Department is on vacation, a contract can sit at the Procurement Department step until the staff member returns and moves through any backlog. However, this type of delay appears to be an outlier, and there is no one step in the process that consistently causes significant delays.<sup>43</sup>

**Figure 4: Median timeline taken to complete each step of the conformance process**

The City set benchmarks in 2017 for how long each step in the process should take. However, these benchmarks are not known to City staff or vendors and thus do not create shared expectations or accountability for the performance of the conformance system.<sup>44</sup> In practice, the Law draft

Median timeline by conformance step

Source: FY20-FY25 Item History and Conformance Performance reports, City of Philadelphia



step—where a Law Department staff member is writing and compiling the formal contract—is the longest step at a median of 12 days across contract types.<sup>45</sup> It is unsurprising that this step would take the most time considering the drafting and problem-solving work involved.

Finding 5b: While not a major driver of late conformance, the conformance process includes unnecessary redundancies.

In designing a conformance process, the City must balance the need to minimize risk through substantive review (including the Law, Finance, and Procurement reviews required by City law) and quality assurance checks with the need for efficiency in quickly conforming essential contracts. Philadelphia’s process contains several steps that do not add meaningful value relative to that balance.<sup>46</sup>

For example, contracts with nonprofit vendors are sent to the Office of Economic Opportunity (OEO) even though OEO no longer conducts its equity reviews for these contracts.<sup>47</sup> The Finance Director approval (delegated to CAO via a September 2019

<sup>43</sup> Step-by-step conformance timelines for each contracting method are included in Appendix D.

<sup>44</sup> See Recommendation 3.2 on page 49.

<sup>45</sup> The Law draft step applies only to Law draft contracts. Department Draft contracts do not include the Law draft step.

<sup>46</sup> Process maps for all contracting methods and description of conformance steps are included in Appendix D.

<sup>47</sup> OEO does not review nonprofit contracts during conformance because nonprofit contracts do not contain the M/W/DSBE participation goals that OEO would generally review. This conformance step also requires vendors to devote time to collecting and reporting the information, despite the City not reviewing it. Additionally, it is not clear if and how the City uses the information collected on board, staff, and supplier demographics. Information on ownership and leadership may be important for

memorandum of understanding) is meant to function as a holistic review of whether the contract is in the best interests of the City, an analysis that is more appropriately conducted during the comprehensive budget planning process rather than an individual contract review.<sup>48</sup> The Initial Certification duplicates the Final Certification, both checks to confirm the contracting department's encumbered funds for the contract. Finally, the Conformance step itself provides little more than administrative closure, since the contract has already been finalized by that point. Together, these four steps add up to a median of around seven days – and a perception from City staff that the process is frustratingly inefficient.

*Finding 6. Recognizing the need for streamlined conformance processes for lower-risk contracts (e.g., routine renewals and low-value contracts), the City developed expedited contracting methods. However, these contracting methods have been underutilized (25% utilization for expedited amendments and 22% utilization for small order purchases) and, for expedited amendments, have not shortened the conformance timeline.*

The City has several expedited contracting mechanisms in place, which are meant to conform lower-risk contracts more quickly by streamlining the conformance process and reducing the volume of contracts required to move through the full conformance process.

#### Expedited Amendments

In 2018, the City introduced the Expedited Amendment (XAA) contract method, which removes several steps from the standard conformance process for routine renewals. The City set a goal of conforming these routine renewals (XAA contracts) in just seven days.<sup>49</sup> Between FY20-January FY25, XAA contracts were conformed in a median of 50 days, well above the seven-day target and on the same timeline as the standard amendment process (SAA). In four of the six years reviewed, XAA contracts actually took longer to conform, on average, than SAA contracts.

The XAA process has also been underutilized by conformance staff. Between FY20-January FY25, only 25% (n=1,847) of eligible contracts (n=5,617) went through the XAA process. Per interviews, departmental contracting staff did not know the XAA process was an option and/or did not understand the potential benefits to using it.

In June 2025, the City expanded the use of the XAA mechanism to make it the default processing mechanism for all contract amendments. While expanding the universe of contracts eligible to be processed as XAAs should ultimately support the City to move toward faster conformance, effective utilization will also require contracting departments and oversight approvers to prioritize moving these contracts with speed.

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monitoring progress towards M/W/DSBE goals, but this data does not appear in public reports or communications around the City's goals.

<sup>48</sup> City of Philadelphia. (2019, September). *Memorandum of Understanding, Director of Finance, Procurement Commissioner, and the Mayor*. ~~[Unpublished]~~.

<sup>49</sup> The XAA process removes steps from the previous amendment process, including contract drafting, internal negotiation, external negotiation, initial certification, and merges the final certification step with Finance review. City of Philadelphia. (n.d.). *Expedited Amendment Process (XAA)*. See Appendix D.

### Small Order Purchases and micro purchases

Government procurement systems set purchasing thresholds and their governing policies and procedures to “balance the need for flexibility and speed with the need for fairness, transparency, and good stewardship of public funds,” as described by Partners for Public Good.<sup>50</sup> Generally, governments set three thresholds with increasing dollar amounts that correspond to increased solicitation and approval requirements.

In Philadelphia, Small Order Purchases (SOP) and micro purchases streamline the conformance process for lower dollar value contracts, less than \$94,000 for SOPs and less than \$41,000 for micro purchases and reduce the overall number of contracts subject to every step in the standard conformance process.<sup>51</sup>

#### *Small order purchases*

The federal government describes the goals of "simplified acquisition procedures" (like the City's SOP contracting method) as follows: reduce administrative costs, improve opportunities for specific categories of businesses (*i.e.*, small disadvantaged, women-owned, veteran-owned, service-disabled veteran-owned, and businesses located in economically distressed areas) across a fair proportion of government contracts, promote efficiency and economy in contracting, and avoid unnecessary burdens for agencies and contractors.<sup>52</sup>

The SOP process meaningfully reduces the number of steps and the amount of time taken to conform an eligible contract, with a median timeline to conformance of 33 days.<sup>53</sup> That represents a third (34%) of the time taken to conform standard, advertised contracts and two-thirds (66%) of the time taken to conform standard, advertised amendments.

However, between FY20-25, the SOP mechanism was used for just 22% (n=425)<sup>54</sup> of all eligible contracts (N=1,973). In FY24 alone, underutilization of the SOP mechanism meant

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<sup>50</sup> Partners for Public Good, Are Procurement Thresholds Slowing You Down? (2025), <https://partnersforpublicgood.org/procurement-excellence-network/wp-content/uploads/sites/2/2025/03/Are-Purchasing-Thresholds-Slowing-You-Down.pdf>

<sup>51</sup> \$94,000 is the threshold for SOP contracts issued to non-local businesses, as of July 1, 2025. The Local Business Purchasing Initiative created a higher dollar value threshold (\$124,999.99 as of July 1, 2025) for SOP contracts issued to businesses registered as Local Business Enterprises (LBEs) in the City of Philadelphia. The micro purchase threshold is the latest as of July 2024. (See: City of Philadelphia. (2024). *Guide to Procurement and Professional Services Purchasing* (1.1). [Unpublished]; City of Philadelphia. (n.d.). *New contract opportunities*. eContract Philly. <https://philawx.phila.gov/econtract/>).

<sup>52</sup> United States Government. (n.d.). *Federal Acquisition Regulation 13.002*. Acquisition.gov. <https://www.acquisition.gov/far/13.002>

<sup>53</sup> Compared to the standard, advertised process, the SOP process eliminates the following steps: budget verification, Law contract assignment, Law draft internal negotiation, approve as to form, initial certification, final certification, and CAO review. Finance, Law, and Procurement review take place simultaneously.

<sup>54</sup> Of the 425 SOPs, 78 contracts (18%) were eligible to be processed as micro purchases. If these micro purchase-eligible contracts are removed from the number of SOPs processed over FY20-Jan.

that 271 contracts that could have been processed through the expedited pathway were instead processed through the standard contracting method. City staff do not always know when or how to use the SOP mechanism and, in some cases, Procurement Department policies restrict a department’s ability to use the SOP contracting method. For example, if a contract requires a child abuse prevention addendum, the contracting department cannot use the SOP mechanism because the Procurement Department does not allow for any amendments or additions to the standard contracting template.

Further, the City’s SOP dollar threshold is lower than similar thresholds set by the federal government, the Commonwealth of Pennsylvania, and other major cities. The City’s lower threshold limits the universe of contracts that are eligible for the streamlined contracting mechanism.

**Table 6: Landscape analysis: Comparing small contract dollar amount thresholds by national, state, and peer city standards**

| Jurisdiction                 | Small purchase limit <sup>55</sup>     |
|------------------------------|--|
| Philadelphia                 | \$94k or \$125k (for local businesses) |
| Federal government           | \$350k                                 |
| Commonwealth of Pennsylvania | \$250k                                 |
| Chicago                      | \$250k                                 |
| New York City                | \$100k or \$1.5M (for M/WBE)           |
| San Francisco                | \$230k                                 |

*Micro purchases*

Contracts processed as micro purchases also require fewer steps and are conformed quicker than other contracts, with a median timeline to conformance of 29 days.<sup>56</sup> That timing represents 30% of the time taken to conform standard, advertised contracts and 58% of the time taken to conform standard, advertised amendments. However, in contrast to other jurisdictions where the contracting power for these lowest value contracts is delegated to the

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FY25, the SOP utilization rate is 18%. For this analysis, the universe of SOP-eligible contracts is all contracts that fall within the SOP threshold (this does not include contracts below the micro purchase threshold).

<sup>55</sup> Philadelphia ([Philadelphia Code, 8-200](#)); Federal government ([Federal Register, 2025-16412](#)); Pennsylvania ([Procurement Handbook Part 1, Chapter 7](#)); Chicago ([Municipal Code 2-92-642](#)); New York City ([Procurement Policy Board Rules 3-08 & City Charter 13-311](#)); San Francisco ([San Francisco Administrative Code 21.02](#)).

<sup>56</sup> The micro purchase mechanism eliminates the following steps relative to standard contracts: Law contract assignment, Law draft, internal negotiation, budget verification review, approve as to form, initial certification, final certification, and CAO review.

contracting department (see Table 7 below), the City’s micro purchase regulation requires approvals by Procurement, Finance, Law, and OEO.<sup>57 58</sup>

Philadelphia is an outlier among other jurisdictions in requiring oversight approvals to use the micro purchase contracting method; these other jurisdictions delegate authority to the contracting department. Similarly, Philadelphia is an outlier in setting solicitation requirements to use the micro purchase mechanism, a process more similar to simplified purchasing thresholds in peer jurisdictions described in the section above. More commonly in the case of micro purchases, the contracting department must understand the price to be reasonable (e.g., similar to previous purchases of similar services) and contracting departments are expected to distribute micro purchases among qualified vendors.

However, other jurisdictions have a lower micro purchase threshold than Philadelphia’s. Lower thresholds allow these jurisdictions to balance the risk from reduced solicitation and approval requirements with the gains of fewer administrative hurdles.<sup>59</sup>

**Table 7: Landscape analysis: Comparing micro purchase limits by national, state, and peer city standards**

| City                         | Micro purchase limit | Authority delegated to contracting department <sup>60</sup> |
|------------------------------|----------------------|---|
| Philadelphia                 | \$41k                | No  |
| Federal government           | \$15k                | Yes   |
| Commonwealth of Pennsylvania | \$10k                | Yes   |
| New York City                | \$20k                | Yes   |
| San Francisco                | \$20k                | Yes   |

Unlike XAAs and SOPs, the micro purchase contracting mechanism has a relatively high utilization rate—across FY20-FY25, 62% (n=516) of all contracts eligible to be processed as micro purchases (n=829) were processed as such. However, the universe of contracts eligible to be processed as micro purchases is much smaller (829 contracts across FY20-25) than that of SOPs (1,973 contracts across FY20-25). While the low volume limits the impact on the larger system, the short micro purchase timeline is a meaningful improvement for the eligible contracts.

<sup>57</sup> Additionally, unlike other jurisdictions, the City’s professional services micro purchasing process requires the contracting department to solicit price quotes from the lesser of three available vendors or all such available vendors, with required solicitation to businesses registered on certified lists like M/W/DSBEs and LBEs).

<sup>58</sup> City of Philadelphia. (2024). *Guide to Procurement and Professional Services Purchasing* (1.1). [Unpublished].

<sup>59</sup> See Recommendation 1.6 on page 42.

<sup>60</sup> City of Philadelphia. (2024). *Guide to Procurement and Professional Services Purchasing* (1.1). [Unpublished]; Federal government ([Federal Register, 2025-16412](#)); Pennsylvania ([Procurement Handbook Part 1, Chapter 7](#)); New York ([Procurement Policy Board Rules 3-08](#)); San Francisco ([Regulation 21.02](#))

## Organizational capabilities and gaps

*Finding 7: Conformance staff, in both contracting and oversight departments, lack the training and resources to consistently complete routine conformance tasks.*

Across contracting and oversight departments, staff involved in the conformance system repeatedly expressed a need and desire for more trainings and manuals providing “how to” direction on specific processes. Resources exist on the City’s intranet (e.g., Summer 2024 SOP guide<sup>61</sup>), but not all staff are aware of them and many reported that materials are often difficult to find. Staff reported that, while some City contracting resources are up to date, many others are not. Without the benefit of context in regular trainings or citywide announcements, some staff unsurprisingly experience difficulties in understanding elements of these resources.

Departmental contracting staff do not always feel informed about the most up-to-date requirements and expectations in the contracting process. For example, City staff reported varying routines for conducting the department approval step in the conformance process. Some departments have delegated responsibility for this step to contracting staff, some reported undergoing a close review by a department head well-versed in using ACIS, and others reported that this step lacked a substantive review. The City does not keep a centralized list of who, from each department, is eligible to approve contracts and has not required that departments standardize this practice.

Some staff reported that it is not uncommon for them to learn of updated practices or expectations *as a result of* their contracts being rejected by an oversight department. Unexpected rejections resulting from lapses in communication among City staff also create additional frustrations for vendors, who see their contracts delayed without a clear explanation.

Meanwhile, oversight staff also lack helpful resources that would support conformance efforts. For example, Finance staff are responsible for ensuring that the dollar amount indicated on a contract in the City’s internal contract management system (ACIS) matches the corresponding encumbrance amount recorded in the City’s internal financial management system (FAMIS). This requires Finance staff to carefully scrutinize each individual contract, comparing values that are housed in distinct digital systems. When Finance staff do encounter a discrepancy between these values, the contract can be delayed as they identify the source of the discrepancy and determine how to correct it. Finally, staff reported being “on their own” to train new colleagues on procurement practices. Without a centralized training apparatus, departments do their best to pass on knowledge and resources to new hires or existing staff taking on new procurement responsibilities.

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<sup>61</sup> City of Philadelphia. (2024). *Guide to Procurement and Professional Services Purchasing* (1.1). [Unpublished]

Now is an especially critical moment for staff to receive clear guidance around strong procurement practices. The City Council’s recent repeal of the nonprofit exemption (which had allowed certain health and emergency-related departments to bypass the formal, competitive solicitation process) will require departments to conduct more competitive solicitations.<sup>62</sup> These contracting processes are generally more complex and take more time, so staff would benefit from strong training and support in the transition.

Finding 7a: Contracting staff seek a greater culture of collaboration across City partners, citing the Fall 2024 Collaboration Lab as an impactful inspiration.

Staff repeatedly expressed a desire for spaces and resources devoted to inter-departmental collaboration. Staff are interested in learning best practices from other departments and curious to know how colleagues in other departments handle complex or novel issues. With planning for conformance often siloed within departments, there are not enough centralized routines for collaborative learning and problem-solving. Staff reported that the Procurement Department’s monthly City Contract Resource Group meeting can be useful for receiving announcements about new developments, but it is not a space organized for peer learning or collaboration.

Staff cited the Fall 2024 Collaboration Lab as an effective model, bringing contracting and oversight staff into a shared space dedicated to problem solving. Together, City staff conformed over 550 backlogged contracts over a five week sprint.<sup>63</sup> While the Collaboration Lab required an exceptional amount of time and energy from all who participated (and should not be necessary in the future, as the City tackles structural challenges associated with the procurement system), it also represents a display of how successful the City can be when it creates opportunities for staff across departments to work closely and problem-solve together.

Finding 7b: The Procurement Department acts primarily as a compliance enforcer rather than as a problem-solving partner and central, strategic leader for the City’s procurement system.

Interviews with staff members involved in the professional services procurement process surfaced a fundamental misalignment between the Procurement Department’s current role and the one that staff believe it needs to fill. The Procurement Department plays a critical role in ensuring that all City contracting follows relevant laws and regulations. However, staff consistently said the Procurement Department focuses primarily on enforcing strict legal compliance instead of collaborating with contracting departments to solve difficult contracting challenges. In particular, staff have called for a Procurement Department that embraces them with a “customer service mindset,” approaching problems with “eyes wide

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<sup>62</sup> Orso, A. (2024, September 5). Philadelphia law overhauling how it contracts with nonprofits to take effect, despite opposition from Mayor Parker. *The Philadelphia Inquirer*. <https://www.inquirer.com/politics/philadelphia/mayor-parker-veto-nonprofits-20240905.html#loaded>

<sup>63</sup> City of Philadelphia. (2025, May 8). *Mayor’s Press Conference 10-31-2024* [Video] YouTube. [https://www.youtube.com/watch?v=UjRegrUm\\_3o](https://www.youtube.com/watch?v=UjRegrUm_3o) (7:40 – 8:30).

open” for possible solutions, and offering the guidance and resources that they need to effectively manage their contracts.

The Procurement review step is an essential part of the conformance process (confirming relevant procurement laws, rules, and regulations are honored), but it is not well understood by contracting and oversight staff involved in conformance. Department conformance staff reported contracts are held up or rejected at the Procurement review step, sometimes without explanation, and sent back to departments for adjustment without the offer of support and collaboration to resolve issues. The responsibility for making those adjustments falls on departmental conformance staff, who may not have all the information they need to manage a complex, difficult, or unclear contracting situation.

When conformance staff do not understand the rationale behind avoidable rejections at this step, they experience frustration and missed learning opportunities—in addition to contributions to workload and additional delays to conformance. Then, if a novel or complex contracting situation comes up again, conformance staff sometimes avoid reaching out to Procurement for help, with the expectation that they will not receive the support they need. Instead of reaching out to Procurement, staff may turn to their colleagues in their own or another department, or to their contacts in Law or CAO.

In addition to this valuable role to play as a problem-solving partner to contracting departments, there are a number of other areas where the City’s ad hoc approach—rather than centralized authority and responsibility with the Procurement Department—has led to gaps, including:

- Building and developing forward-looking policy;
- Leading on strategic sourcing (*e.g.*, unitary contracts that allow multiple departments to issue purchase orders off of a single contract);
- Coordinating a more collaborative and efficient process of contract review in partnership with other oversight departments (*i.e.*, CAO, Finance, and Law); and
- Ensuring that the Administration, the City Council, and the vendor community are regularly in communication around contracting successes, challenges, and needs.

Currently, many actors hold distinct responsibilities and no one actor is responsible for the management and success of the overall system. The CAO has stepped into this role at various points—including leading the Fall 2024 collaboration lab, sending out directives to the contracting department regarding FY26 contracts, facilitating monthly meetings between the CAO’s office and contracting departments to provide hands-on conformance support, and leading outreach to the nonprofit vendor community. The Law Department is seen by City staff as a resource for creative solutions and breaking through logjams. The Procurement Department leads in other key areas, noted above, but CAO, Procurement, and Law are not currently structured and resourced to provide the leadership and coordination necessary for an effective and efficient procurement system. For example, one Procurement Department staff member is responsible for the Procurement Department review step for all contracts, and one CAO staff member is responsible for providing problem-solving support

to all departments contracting professional services (among many other responsibilities that these staff members hold).

The CAO and Procurement Commissioner, both relatively new to their roles, have committed to developing and strengthening effective, efficient, and innovative procurement strategies and ensuring that contracting staff across departments have the training and information that they need to thrive.

*Finding 8: A preliminary survey representative of 21 out of 46 professional services contracting departments suggested that the ratio of conformance staff to the number of professional services contracts varies widely, from one staff member for one professional services contract to one staff member for 53 professional services contracts. Based on the limited findings of this survey (i.e., it was not representative of all contracting departments), the conformance staff-to-contract ratio does not appear to be tied to conformance performance across departments.*

In the summer of 2025, the CAO and Bennett Midland issued a survey to contracting departments which process professional services contracts. Of 46 such departments, 21 responded to the survey. The responses received indicate that staffing models for conformance staff vary widely.<sup>64</sup> The highest ratios of conformance staff to professional services contracts were all within low-volume departments.<sup>65</sup>

Across the departments from which we received responses, there does not appear to be a meaningful relationship between the staff-to-contract ratio and key conformance indicators (i.e., the percentage of contracts conformed on time and the median days to conformance). Even departments with the same staff-to-contract ratio exhibit entirely different values across conformance performance indicators

Departments with a low staff-to-contract ratio and those with a high staff-to-contract ratio alike experience challenges conforming contracts on time and have median conformance timelines beyond the Citywide average of 52 days. This is likely attributed to the systemic issues elevated in other findings, and the differences in performance indicators are likely related to differences in approach and routines taken by departments to conformance.

Importantly, this survey does not represent an in-depth staffing analysis. Should the City seek to develop a more comprehensive understanding of its current staffing needs and their implication on the performance of the procurement system as a whole, the results of this survey can provide a foundation to begin its analysis.

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<sup>64</sup> In Spring 2025, the office of the CAO and Bennett Midland sent a survey to conformance staff at contracting departments, requesting information about their staffing structures and capacity to conform contracts on time. The survey questions are listed at Appendix F and a preliminary analysis of staffing survey responses is at Appendix G. We received 26 responses from 21 departments.

<sup>65</sup> Many departments with a low volume of professional services contracts (e.g., Department of Fleet Services, Department of Records, etc. likely process a larger volume of material and supplies contracts (Class 300 contracts). These findings specifically refer to the ratio between conformance staff and professional services contracts (Class 200 contracts), reflecting the focus of our research scope.

*Finding 9: Current digital systems are outdated and don't support the needs of staff collaborating on the conformance process across the City. While the upcoming transition to OPAL will modernize the City's digital systems and provide clear benefits, it will not solve all structural challenges.*

Currently, the City utilizes three different systems in the procurement process—the Automated Contract Information System (ACIS), the Financial Accounting and Management Information System (FAMIS), and DocuSign. ACIS is used by conformance staff to process contracts routing and conformance, FAMIS is used primarily by finance staff to manage encumbrances and process payments, and DocuSign is used to securely collect vendor and City signatures needed to finalize contracts.

While each of these digital systems serves a clear function in the overall conformance process, they are all largely disconnected from one another; staff are unable to connect or link data between these discrete systems. When information from one system is needed to inform an action in another, a staff member with access to the original system must collect and share it manually.

In addition to these systems being poorly integrated, the digital systems are opaque, offering departmental contracting staff and vendors limited visibility into the progress of their contracts. While a conformance manager can check ACIS to understand which step their contract is in, there's little else they could learn about their contract's status (*e.g.*, who, in particular, is reviewing, or any reason for delay).

As a result, conformance staff feel the need to regularly reach out to partners across other departments involved in the conformance process (*i.e.*, Law, Finance, Procurement) to understand the current status of their contracts, if there is an issue that they need to address, or if the contract has stalled. This represents an unnecessary burden for staff, who already face an overwhelming volume of contracts, and encourages ad hoc conformance practices instead of building effective standard routines. Staff reported that the most successful conformance managers are the most willing to reach out by email to move their contracts along. While conformance managers should take responsibility for their contracts, they should also be equipped with the digital systems they need to proactively monitor them.

The City's new procurement system, OPAL, which aims to launch in Summer 2026, will consolidate contract processes and data across ACIS and FAMIS into a central Workday platform. The integration of data currently siloed between ACIS and FAMIS will support the City to more effectively manage its contracts using a single system. Critically, it includes capabilities to support departmental contracting staff to monitor the progress of their contracts as they move from step to step. It will also allow the City to produce comprehensive reports describing the status and performance of the procurement system, making key information available for both procurement leaders and high-level management.

While OPAL will meaningfully improve the City's current digital systems and contain valuable tools for City staff and leaders, it will not change the structural challenges associated with the City's conformance system described in earlier findings. It will neither

reduce the volume of contracts moving through the system nor will it necessarily ensure that staff begin the routing process in a more timely manner. Still, it will equip the City with more detailed information around the conformance process and specific contracts within that process, positioning the City to embrace larger process changes with a technically sound and modern contract management system in place.

Before and after OPAL comes online in July 2026, the City will need to implement an effective change management strategy. During interviews in the first half of 2025, conformance staff had limited knowledge of the OPAL project, and some staff members expressed concerns around the challenges associated with adapting to a new system. Further, the adoption of OPAL will necessarily require the City to change certain elements of the contracting process, which will require refreshed trainings for staff and vendors and the circulation of updated guidance collateral. The OPAL team has begun a change management process, supported by “OPAL Change Champions” at each department. Change Champions will be early adopters, providing support to department colleagues and feedback to the OPAL team as the rollout takes place.

## Vendor support

*Finding 10: The City’s contracting system is a “black box” to most vendors. Insufficient support, a lack of uniformity, and minimal transparency have left vendors and City staff alike frustrated by insufficient partnership.*

In 2024, Bennett Midland conducted 21 interviews with 35 procurement stakeholders outside of government (largely nonprofit and philanthropic leaders in Philadelphia) to understand the state of City procurement from their points of view and surface opportunities. Nonprofit leaders were aligned in identifying conformance delays as the biggest pain point in the procurement process (rather than the selection or invoicing and payment processes).<sup>66</sup> Nonprofit leaders reported that they and their staff did not fully understand the City’s processes, requiring them to be reactive to City requests – sending information into a void and waiting until a response comes back. Similarly, City staff reported that vendors did not understand the conformance system, such that they aren’t as timely or as accurate as would be needed for a high-quality partnership.

Most nonprofits that do business with the City have cost-reimbursement contracts. This generally means they are responsible for all expenses upfront and then invoice the City for these costs to be reimbursed. When a contract is not conformed until after the start date, the organization must have cash or credit to pay operating costs until they can be reimbursed by the City.<sup>67</sup> According to nonprofit leaders, organizations without significant cash reserves often need access to a line of credit to cover operating costs while they wait for their City contract to be finalized and the first payment to arrive. When nonprofits take out loans to cover operating expenses prior to City payment, interest on these loans is not reimbursed by the City. This creates a significant cost for the nonprofit.

### Lack of uniformity

Nonprofits reported experiencing different processes and practices across departments and repetitive processes that could be streamlined. For example, nonprofit leaders told us that they appreciate the City’s attempt to standardize the submission of the contracting disclosure form, a time-intensive information request. However, nonprofits report that conformance managers continued to request them to submit department-specific forms that require them to submit new information, updating the information from other forms only slightly, but enough to require significant time. Additionally, they are often asked to submit multiple Certificate of Insurance forms to the same department—one for each contract—because the department doesn’t centrally house or share the forms. These inefficiencies further strain

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<sup>66</sup> The City code establishes a maximum of 30-60 days for paying invoices (and a ten-day requirement for notifying a vendor if a submitted invoice is improper as to form). Chapter 17-1702 (Prompt Payment of City Vendors) of the Philadelphia Code. American Legal Publishing. [https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia\\_pa/0-0-0-296518](https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-296518). Generally,

nonprofit leaders reported that the City pays on a consistent timeframe once a complete invoice is submitted. However, City leaders have expressed concern that invoicing and payment processes may be delayed as well. An analysis of these processes is beyond the scope of this report.

<sup>67</sup> Nonprofit Finance Fund. (2025). *Essential, enduring, and under strain: Greater Philadelphia’s nonprofit sector in 2025*. <https://nff.org/wp-content/uploads/NFF-2025-Survey-Report-Philly.pdf>

vendors' administrative staff, especially at smaller organizations with less back-office capacity.

#### Minimal transparency

Considering the complexity of the contracting system, the City does not provide sufficiently accessible information to vendors to enable them to effectively understand the contracting system as a whole or the status of their applications within that system. While resources intended to guide vendors and the public through the process of engaging with the City do exist, they are scattered across different sources. Some resources are on eContractPhilly, others are on the websites of the Procurement Department or OEO, while still other information lives in City Hall press releases or other web pages.<sup>68</sup> As a result, critical information is often difficult or impossible to find, leading to vendor frustrations.

Although the City does have established timelines that outline expectations for contract conformance, it does not adequately advertise those timelines to its own staff or to vendors.<sup>69</sup> As a result, City staff and vendors are largely unaware that the City has established any timelines. In addition, nonprofits are unaware of what they should do to check on the status of their contract or if they experience delays or other challenges. Some call their program contacts, others know people in procurement, and others are at a loss. Nonprofits also reported that when they do reach out, they regularly do not receive a timely response. This can lead to vendors with established relationships in City government leaning on their contacts to get their contracts conformed more quickly, an inequitable outcome.

Currently, the City regularly reports metrics describing the performance of the professional services procurement system (*e.g.*, days to conformance, average number of applicants per contract) as it relates to non-competitively bid contracts, directed by Title 17 Chapter 1400 of the City Code. In an environment where staff time is already stretched, reporting routines represent an unnecessary burden on staff. Developing these reports demand a significant investment of staff resources while not providing sufficiently valuable information. Tellingly, while these reports are published on eContractPhilly, they are rarely, if ever, cited in City Council hearings, media reports, or discussions around the City's procurement challenges.

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<sup>68</sup> For example, contract opportunities, selected applicants, and public reports can be found on eContract Philly (<https://philawx.phila.gov/econtract/>), although some information requires vendor credentials to access. Other information is available on the Procurement department's webpage, including the Local Business Entity certification process (<https://www.phila.gov/departments/procurement-department/local-preference/>) and a compendium of resources (<https://www.phila.gov/departments/procurement-department/resources/>). Minority, woman, or disabled-owned business registration is available on OEO's website (<https://www.phila.gov/services/business-self-employment/bidding-on-a-city-contract/register-as-a-minority-woman-or-disabled-owned-business/>). Important contracting information is also communicated through press releases from City Hall (<https://www.phila.gov/2025-03-21-mayor-cherelle-l-parker-announces-personnel-appointments-in-seven-key-areas/> and <https://www.phila.gov/2024-11-01-mayor-cherelle-l-parker-details-action-plan-to-streamline-and-improve-city-contracts-process/>).

<sup>69</sup> See Finding 5 on page 20 and Recommendation 3.2 on page 49.

### Insufficient support

Discrete contracts in the City’s portfolio come with technical assistance support directly to nonprofit vendors and/or financial intermediaries that function between nonprofit vendors and the City to ensure complete and timely administrative processes (*e.g.*, invoice submission and payment). For example, the City’s Anti-Violence Community Partnership Grants Program offers grantees technical assistance (workshops and office hours) around sustainability, capacity building, and organizational collaboration.<sup>70</sup> The program also hired the Public Health Management Corporation (PHMC) as the financial intermediary to manage the disbursement of funds.

However, this technical assistance is not widespread across the City. In most cases, vendors are expected to navigate the conformance system with only low-touch support available (*e.g.*, group trainings hosted by the Procurement department, documents saved across multiple City web sources, program staff responses to questions). These baseline resources have not proven accessible or adequate to meet the needs that vendors have expressed.

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<sup>70</sup> City of Philadelphia. (2025, June 18). *City of Philadelphia invests nearly \$24 million in grants to 147 gun violence prevention community organizations*. Office of Public Safety. <https://www.phila.gov/2025-06-18-city-of-philadelphia-invests-nearly-24-million-in-grants-to-147-gun-violence-prevention-community-organizations/>

## Recommendations

### Overview

Informed by the findings of challenges faced by the City’s professional services conformance system, and developed in close collaboration with City leaders and staff, this report makes 26 recommendations organized across five goals:

1. Decrease the volume of contracts going through the full conformance process;
2. Strengthen the conformance process;
3. Increase transparency and accountability;
4. Support the City’s line staff; and
5. Ease doing business for the City’s vendor partners.

The order of the goals above reflects their overall priority (*i.e.*, it is most important that the City act decisively to decrease the volume of contracts moving through the full conformance process), although implementation of recommendations across categories should occur simultaneously. Within each goal is a summary table that includes, for each recommendation, the expected impact on conformance timeliness and/or efficiency and a proposed implementation timeline – short-term (end of FY26), medium-term (end of FY27) or long-term (FY28 and beyond). Where possible, the recommendation includes suggested interim actions that may be accomplished on a shorter time scale.

There are five essential recommendations that address the City’s most serious conformance challenges and have the greatest potential for impact.

**Recommendation 1.1:** Revise the City Charter to enable departments to enter multi-year contracts directly, without legislative approval, regularly allowing routine multi-year contracts for multi-year programs and reducing annual contracting volume by 60% (Page 38) – Led by Procurement and Law.

**Recommendation 4.1:** Redefine Procurement’s role, and resource it accordingly, so that it leads and is ultimately responsible for the City’s professional services contracting function (Page 52) – Led by Procurement and CAO.

**Recommendation 4.2:** Develop a comprehensive, citywide training program for department conformance staff, oversight staff, and program staff that details the conformance process and expectations (Page 53) – Led by Procurement.

**Recommendation 4.3a:** Provide a standardized approach and coordinate approvals from oversights to support the conformance of contracts that begin in the first quarter of the fiscal year (Page 55) – Led by CAO.

**Recommendation 4.3b:** Maintain and expand the ongoing efforts to conform backlogged contracts through targeted support for departments (Page 56) – Led by CAO.

City Council Not-For-Profit Task Force 2024

In 2024, the City Council empaneled a Non-Profit Task Force that included 32 nonprofit leaders along with representatives from the City Council and the Parker administration. The mission of the Task Force was, “to make much needed reforms in how the City of Philadelphia does business with our non-profit providers to put the needs of all Philadelphians first.”<sup>71</sup> The Task Force issued a report with recommendations on improving the way the City does business with nonprofit service providers across a range of functions. Many of the Task Force’s recommendations are in close agreement with recommendations in this report, including:

- Improving training for City staff;
- Ensuring appropriate staffing levels in critical contracting functions;
- Using data to identify pain points and delays;
- Saving vendor documents in a centralized location to minimize the need for vendors to submit the same document multiple times;
- Creating a more direct relationship with the Procurement Department;
- Providing updates on the status of an in-process conformance process;
- Streamlining the renewal process; and
- Initiating the conformance process earlier.

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<sup>71</sup> The City Council of Philadelphia. (2024, December 4). Report of the Philadelphia City Council, Not-for-Profit Task Force.

<https://drive.google.com/file/d/1hN3t3PUOEAVGGqPvvC7zT2JSikClbIQK/view?usp=sharing>

**Goal 1: Decrease the volume of contracts going through the full conformance process**

*Summary of recommendations in this category*

| <b>Recommendation</b>                                       | <b>Impact assessment</b> | <b>Timeline</b> |
|---|--------------------------|-----------------|
| 1.1. Enable multi-year contracting                          | High                     | Long-term       |
| 1.2. Increase the SOP threshold to \$250,000                | High                     | Medium-term     |
| 1.3. Develop fewer contracts with Q1 start dates            | Medium                   | Medium-term     |
| 1.4. Expand and strengthen utilization of unitary contracts | Medium                   | Medium-term     |
| 1.5. Enable cooperative contracting                         | Medium                   | Long-term       |
| 1.6. Streamline the micro purchase process                  | Low                      | Short-term      |

*Recommendation 1.1: Revise the City Charter to enable departments to enter multi-year contracts directly, without legislative approval, regularly allowing routine multi-year contracts for multi-year programs and reducing annual contracting volume by 60%.*

This recommendation would have the greatest impact on the City’s conformance process. By revising the City Charter to enable departments to enter into multi-year contracts more easily, the City will significantly decrease the number of contracts moving through the conformance system and bring the City in line with contemporary procurement practices utilized by the Commonwealth of Pennsylvania and major cities across the county.<sup>72</sup> The City Council would still maintain the power of the purse, deciding each year whether or not to fund the contract through the existing budget approval process. If the City Council did not allocate funds such that a contracting department had the resources to continue a contract, the general provisions of the City’s contract allow for the department to cancel the contract.

**Impact:**

- Eliminate over 200 days in conformance across the total life of a contract (assuming a 1+4 contract completing all four renewals).<sup>73</sup>
- Eliminate up to 60% of contracts going through the conformance process annually.

**Timeline:** This is a **long-term** recommendation. Enabling multi-year contracting will require Philadelphia voters to approve an amendment to Section 2-309 of the Philadelphia Home Rule Charter. In the **short term**, the City should bring multi-year contracts to the City Council for approval now. It should prioritize contracts that the City has held for many years, and other more complex contracts, including unitary contracts.

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<sup>72</sup> See Finding 3 on page 14.

<sup>73</sup> Ibid.

**Ongoing City efforts:** As of August 2025, the Law Department was working closely with the Department of Public Health and the Mayor’s Office of Legislative Affairs to identify a package of potential multi-year contracts to bring to the City Council for approval.

*Recommendation 1.2: Increase the SOP threshold to make the procurement system more agile and ensure more contracts can take advantage of the streamlined contracting method.*

The City should raise the SOP threshold to \$250,000 for all businesses, from \$94,000 for non-local businesses and \$124,999 for registered local businesses, aligning it with other jurisdictions (e.g., the Commonwealth of Pennsylvania, the federal government).<sup>74</sup> The City’s SOP structure—and those of peer jurisdictions—already uses contract values as a proxy for risk such that lower value contracts have fewer solicitation and conformance requirements. This proposed threshold increase – covering a \$250,000 contract over one year, five years, or anything in between – would enable more contracts with a relatively low value to move through the expedited SOP conformance process.<sup>75</sup>

**Impact:**

- By increasing the threshold to \$250K, 60% of all contracts would now be eligible for the expedited SOP contracting method.<sup>76</sup>
- As the SOP contracting method moves through conformance quickly (a median timeline of 33 days), increased threshold would allow more contracts to take advantage of the reduced timeline. Between FY20-25, if all SOP-eligible contracts had been processed as SOPs, they could have moved a median of 23 days faster through the system.
- Taking more contracts out of the full conformance process would allow for more staff focus on higher-risk or novel contracts.

**Timeline:** This is a **long-term** recommendation. Adjusting the City’s SOP threshold will require the City Council to amend Title 17-1406 of the City Code, a legislative action that does not require a ballot measure.<sup>77</sup>

In the **medium term**, the City should focus on increasing utilization of this contracting mechanism under the current rules.<sup>78</sup> Procurement should ensure that contracting

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<sup>74</sup> See Finding 6 on page 23.

<sup>75</sup> The threshold should be increased annually tracking inflation, as the City’s current SOP threshold does. See Table 6, Finding 6, on page 25.

<sup>76</sup> This projection is based on an analysis of the value of one-year contracts processed during the study period of FY20-FY25. Should the City successfully adopt legislation permitting multi-year contracting without the City Council’s approval, the number of eligible SOP contracts will likely decline. There will be significantly more contracts with a multi-year term, reducing the likelihood that a contract’s value will remain below \$250,000. For example, a contract that is currently a 1+4 contract at \$60,000 per year is currently SOP-eligible; however, if that contract is processed as a five-year contract instead, it would no longer be SOP-eligible because it would be valued at \$300,000 (\$60,000 by five years), exceeding the proposed threshold.

<sup>77</sup> *Philadelphia Code*. Title 17, §17-1406. City of Philadelphia, American Legal

Publishing. [https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia\\_pa/0-0-0-296268](https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-296268)

<sup>78</sup> See Finding 6 on page 23.

departments understand the benefits of using the SOP contracting method and advise contracting departments when to use it.

As a **short-term step**, Procurement should require citywide conformance staff to participate in a refresher training on the SOP contracting method.

*Recommendation 1.3: Develop contracts with start dates that do not align with the start of the fiscal year.*

Most departments choose to align contract dates with the fiscal year, so that they have budget certainty for the length of the contract and to ease accounting, though this process is not mandated.<sup>79</sup> If Departments had contract start dates that were dispersed throughout the year, the work to conform contracts would, too, be dispersed across the year. Departments should be encouraged to routinely schedule contract start dates across Q2, Q3, and Q4, especially for programs that are funded or managed on these timelines.

**Impact:**

- Avoid the conformance bottleneck that has emerged at the beginning of the fiscal year and the resulting backlog of contracts not yet conformed after the contract start date.
- For City staff and vendors alike, spread conformance workload more evenly across the year.

**Timeline:** In the **short term**, we recommend that the City identify one to three departments to test processing a set of their contracts off the typical fiscal year timeline.

In the **medium term**, we recommend that the Procurement Department consult with Finance to consider the universe of planned professional services contracts for the upcoming fiscal year and the timing of revenue streams, and work with contracting departments to develop a contracting timeline. As a result of this collaboration, the Procurement Department could issue citywide guidance as to the timing of all contracts so that both contracting and oversight departments can allocate staff appropriately throughout the year. Finance should also consider new routines to ensure contracting departments encumber appropriate funds for each of the fiscal years that a contract crosses (*e.g.*, preliminary encumbrances for future fiscal years that become permanent if/when funds are appropriated).

*Recommendation 1.4: Expand and strengthen utilization of unitary contracts to leverage group purchasing power and replace multiple conformance processes with one (allowing departments to issue purchase orders from the unitary contract).*

Unitary contracts allow for a single, centralized agreement with multiple vendors providing similar services across departments and would be beneficial if coupled with multi-year contracts. Utilizing a single contract can reduce the total contracting volume and lead to significant time savings.

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<sup>79</sup> See Finding 4a on page 18.

Unitary contracts should primarily be used for multi-year contracts considering the challenges that limit their utility, including coordinating with multiple vendors at once and technical limitations associated with DocuSign (*i.e.*, staff must manage the progression of a contract through the DocuSign workflow separately from the ACIS workflow; DocuSign only allows for up to 99 signatures on a given contract, while unitary contracts may involve more than 100 vendors).

There is exceptional internal expertise available around managing unitary contracts. For example, the Office of Innovation and Technology (OIT) holds a unitary contract for “staff augmentation” with dozens of qualified vendors. This contract allows the City to bring on contracted IT personnel to supplement existing staff for discrete projects or time periods. Once OIT conforms the staff augmentation contract every year, departments throughout the City can utilize that contract by selecting a contracted vendor for its staff augmentation needs and issuing payment via a purchase order. The department need not conduct its own contracting process; however, the department could facilitate a mini-bid process prior to vendor selection.

**Impact:**

- Aggregate demand across multiple agencies, potentially driving prices down due to economies of scale.
- Reduce the overall volume of contracts.
- Allow contracting departments to use purchase orders to buy off of contracts rather than going through full contracting process.

**Timeline:** This is a **medium-term** recommendation. The Procurement Department will need to build the capacity to lead on these types of contracts, and the City should be prepared to bring these contracts to the City Council for approval for multiple years.

*Recommendation 1.5: Revise City Code to allow for utilization of cooperative contracts that leverage group purchasing power and don't require a full competitive selection and conformance process.*

Cooperative contracts would enable the City to participate in group purchase arrangements organized by other government entities, allowing departments to avoid duplicative competitive selection and conformance processes already completed by other trusted public entities. For example, the Commonwealth of Pennsylvania's Department of General Services runs the COSTARS program which establishes contracts (*e.g.*, energy management consulting services, wastewater management consulting services) that departments throughout state and local government in Pennsylvania can leverage for their own needs.<sup>80</sup> Rather than drafting contract language specific to the City, departments would have the option to identify existing contracts that meet their needs and sign on to them.

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<sup>80</sup> Department of General Services, Bureau of Procurement, COSTARS Program. (2024, December). *Guide to COSTARS contracts*. <https://www.pa.gov/content/dam/copapwp-pagov/en/dgs/documents/costars/documents/guidetocostarscontracts%2012-24.pdf>

Cooperative contracts are currently allowed for non-professional services contracts. However, they are prohibited for professional services contracts out of concern that they would act as a workaround to the required competition for these types of contracts. To address this concern while allowing for cooperative contracts, the City could allow for cooperative contracts only if able to verify that the originating authority conducted a competition and/or the City could require a mini-bid process amongst vendors under the cooperative contract (e.g., the department is required to solicit two to three bids from the list of available contractors rather than just selecting one).

**Impact:**

- Reduce the overall volume of contracts.
- Support participating departments to secure better pricing.

**Timeline:** This is a **long-term** recommendation. While the City Charter allows for the use of cooperative contracts for other contract types (e.g., goods and non-professional services) in lieu of a City-managed competitive process, its terms explicitly do not apply to professional services contracts.<sup>81</sup> This recommendation will require the City Council to approve a Code change to allow an exception to the City's competitive process in the case of cooperative contracts where, instead, another jurisdiction has completed the competitive process.

*Recommendation 1.6: Revise City regulations to eliminate the solicitation requirement and oversight approvals for micro purchases and decrease the micro purchase threshold.*

For the lowest value contracts, the City should have a contracting method with limited friction, delegating authority to contracting departments to solicit and conform contracts. Currently, despite a lower contract value threshold (currently \$41,000), the City's micro purchase procurement method uses the same expedited conformance process as SOP contracts and still has solicitation requirements.<sup>82</sup> An outlier among its peer jurisdictions in these regards, the City should delegate authority to its contracting departments to determine appropriate solicitation and conformance approvals for these low-risk contracts.

However, other jurisdictions have a lower micro purchase threshold than Philadelphia, allowing these jurisdictions to balance the risk from reduced solicitation and approval requirements with the gains of fewer administrative hurdles. As it delegates more authority to the contracting department for micro purchases, the City should reduce its micro purchase threshold to \$15,000 to mitigate the associated risks.

Although micro purchases were utilized for 62% (n=516) of eligible professional service contracts, there is also an opportunity for expanded utilization which would save the City considerable time.

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<sup>81</sup> *Philadelphia Code*. Title 17, §17-400. City of Philadelphia, American Legal Publishing. [https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia\\_pa/0-0-0-296144#JD\\_Chapter17-1400](https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-296144#JD_Chapter17-1400)

<sup>82</sup> See Finding 6 on page 23.

**Impact:**

- Reduce the conformance timelines of the micro purchase mechanism. If all micro purchase-eligible contracts had been processed as such (n=313) between FY20-25, these contracts could have moved a median of 28 days faster to conformance.
- If the City reduced its micro purchase threshold to \$15,000, 48 contracts (2% of total contracts) would have been eligible in FY24.

**Timeline:** This is a **short-term** recommendation. The City's Procurement Commissioner sets the micro purchase threshold and relevant contracting processes.

**Goal 2: Strengthen the conformance process**

*Summary of recommendations in this category*

| <b>Recommendation</b>   | <b>Impact assessment</b> | <b>Timeline</b> |
|---|--------------------------|-----------------|
| 2.1. Create one streamlined conformance process for all non-SOP contracts                                   | High                     | Medium-term     |
| 2.2. Overhaul of Law’s contract and RFP templates to simplify the library and meet the City’s ongoing needs | High                     | Medium-term     |
| 2.3. Resource Law to begin contract engagement earlier  | High                     | Medium-term     |
| 2.4. Enable conformance prior to fiscal year by permitting preliminary encumbrances                         | Medium                   | Long-term       |
| 2.5. Standardize the departmental review process  | Medium                   | Medium-term     |
| 2.6. Confirm and communicate the goals and expectations of the Procurement Review step                      | Low                      | Short-term      |

*Recommendation 2.1: Create one streamlined conformance process for all non-SOP contracts (original contracts and amendments) and conduct select steps simultaneously rather than consecutively.*

The City should remove the following steps from the existing, standard conformance process:

- OEO review (for nonprofit vendors): Currently, a contract with a nonprofit vendor automatically goes to OEO in the workflow. However, OEO does not conduct reviews of those contracts, so this step should be skipped in those cases.
- Finance Director/CAO approval: This step was meant to provide an additional opportunity for the Finance Director to consider whether the contract was in the best interests of the city. This type of holistic review is (and should be) conducted on a department – and the City’s – full contracting plan (submitted as part of the annual budget planning process), not on individual contracts. Large, unplanned contracts (e.g., new needs arising mid-year that are not part of the department’s budget plan) would trigger a higher level of scrutiny in the budget verification step.
- Initial certification: While this step is designed to be a quality assurance mechanism, it functions the same as Final Certification – and Finance can design the Final Certification step to include the necessary quality checks to meet the need.
- Conformance: The final step in the conformance process does not provide additional value, as the contract has already been finalized. Instead, it is just an additional administrative burden for Law or the contracting department to close the process.

In addition to removing these steps from the conformance process, the City should conduct budget verification, approve as to form, and final certification simultaneously. A process map of the proposed, streamlined conformance process is available in Appendix D.

**Impact:**

- Reduce the median timeline from 52 to 36 days across all contract types.
  - o Standard, advertised contracts would see the greatest reduction in median timeline—from 97 to 71 days—while the median XAA timeline would decrease from 50 days to 32 days.
- Reduce opportunities for delays by ensuring steps proceed simultaneously rather than consecutively.

**Timeline:** This is a **medium-term** recommendation. While the City is equipped to begin implementing many elements of this adjusted workflow now, it will require a well-planned, well-communicated change management effort. These process changes will need to be built into the conformance workflow for the new OPAL system. The removal of the Finance Director/CAO approval step will require the City Council to amend Title 17 Chapter 1400 of the City Code.<sup>83</sup>

**Ongoing City efforts:** In June 2025, the City expanded the use of the XAA process to make it the default processing mechanisms for all amendments.<sup>84</sup> The XAA process eliminates the steps described above, which are part of the standard amendment process (SAA).

Additionally, in light of the current legal landscape, the City is considering reform to OEO and its related requirements in the contracting process. As this Law Department-led process continues, we recommend that the City ensure the reforms implemented minimize the administrative burden on the conformance process.

*Recommendation 2.2: In advance of OPAL roll-out, conduct a complete overhaul of Law’s contract and RFP templates to simplify the library and meet the City’s ongoing needs.*

Law should conduct a complete review of the full library of templates currently available across all contracts and draft a consolidated and streamlined base contract and a series of addenda that can be included for particular types of services and funding streams. Developing a more precise, tailored contract library will help Law to quickly and flexibly provide departments with the form language needed to develop, adjust, and finalize contracts efficiently. It will also reduce the time associated with Law’s involvement in routine contract development.

**Impact:**

- Departments will be able to advance routine contracts without a close review from Law.
- Law’s reviews will be able to concertedly focus on novel or complex contracts, any necessary amendments to the templates for a specific contract, and higher-level

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<sup>83</sup> *Philadelphia Code*. Title 17, §17-1400. City of Philadelphia, American Legal Publishing. [https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia\\_pa/0-0-0-296144](https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-296144)

<sup>84</sup> See Finding 6 on page 23 for detail on the steps the XAA eliminates relative to the standard conformance process and a projection for the expected conformance timeline associated with the XAA mechanism.

policy and strategy questions to guide City procurement in partnership with Procurement.

**Timeline:** This is a **medium-term** recommendation. The City should aim to complete this review and refresh of the contract and RFP template library in advance of the OPAL launch date, such that the most up-to-date templates can be loaded into OPAL before it comes online.

**Ongoing City efforts:** The Law Department is currently developing an RFP and setting the parameters for engaging an external contractor to support this initiative.

*Recommendation 2.3: Begin contract drafting earlier by resourcing Law to allow for early and ongoing engagement with departments developing new contracts.*

Currently, department-draft contracts undergo close review by Law Department staff attorneys at two discrete steps in the conformance process: Law Contract Review and Approval as to Form.<sup>85</sup> When Law identifies necessary adjustments during their review, it often requires iteration between the vendor, the contracting department, and Law.

Instead of this substantive engagement routinely happening within the formal conformance process, the City should provide Law with supporting resources to engage with contracts during the Request for Proposal (RFP) development and selection stages. Early engagement between Law and contracting departments would support the development of contracts that require minimal adjustment during the actual conformance process, once a potential vendor has already been engaged. Law would still be responsible for approving the final version of the contract before it is signed.

**Impact:**

- Enable the City to shift a significant portion of Law Department’s substantive work outside of the conformance process, thus saving time when the contract reaches the formal conformance process.

**Timeline:** This is a **medium-term** recommendation. The City should begin to identify needed resources to support Law to take on this adjusted role.

**Ongoing City efforts:** The City is already using this model for a subset of contracts (e.g., Law and PDPH collaboration). To expand this and support deeper engagement between Law and contracting departments during the drafting process, the City would need to commit additional resources to Law, including staff attorney roles, to ensure that Law has sufficient capacity.

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<sup>85</sup> See Appendix D for the current professional services conformance process maps.

*Recommendation 2.4: Allow conformance prior to fiscal year start by permitting preliminary encumbrances based on the proposed budget prior to budget adoption, enabling effective budgeting prior to the beginning of the fiscal year.*

The City should allow departments to preliminarily encumber funds on their contracts based on the proposed budgets that the City publishes in the spring, rather than requiring departments to wait to encumber funds until the City Council passes and the Mayor signs a finalized budget at the end of the fiscal year. Once the budget is finalized, these preliminary encumbrances would convert to official encumbrances so long as the proposed funds are approved. New York City uses this model, allowing for encumbrances based on its proposed budget and contract conformance based on those encumbrances.

Currently, contracts cannot be conformed until funds are encumbered (such that the Office of the Director of Finance will approve the Final Certification step), and this cannot happen until the Mayor signs a budget in mid- to late June.<sup>86</sup> Of the total contracts conformed across FY20-25, 54% of contracts had Q1 start dates, and only 6% of these were conformed on time. Some departments reported that they conformed contracts late largely due to the encumbrance timeline.<sup>87</sup>

**Impact:**

- Alleviate the conformance bottleneck that emerges in Q1.

**Timeline:** This is a **long-term** recommendation. OPAL's accounting system will enable this as a standard functionality, and City leaders in key oversight departments (*i.e.*, Finance, Procurement) have expressed initial interest in adopting this practice when they have the technical capability to do so. While this reform will need to hold for full implementation until OPAL is adopted, the City should begin preparing for this change in the short term by developing new policy, routines, and training.

*Recommendation 2.5: Standardize department leadership review of contracts by naming a contracting officer in each department who has delegated authority from the department head to approve contracts. Provide training and support for this role.*

Currently, department heads are expected to review and approve every contract awarded by their department at the Department review/approval step. The City should provide clear guidance as to how this review should be conducted and ensure each department has named a contracting officer with the expertise, capacity, and authority to approve contracts (this could be the department head or a delegated authority).<sup>88</sup> Standardized training from the introduction of this role will be essential to ensuring that departments are engaging with the department review step as consistently as possible.

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<sup>86</sup> Amendments can technically be conformed without an encumbrance, but conformance staff are encouraged *not* to conform amendments without a valid encumbrance whenever possible.

<sup>87</sup> See Finding 4a on page 18.

<sup>88</sup> See Finding 7 on page 27.

**Impact:**

- Ensure that staff with the bandwidth to lead review efforts are tasked with doing so. To support staff leading review efforts and ensure quality control, the City would need to provide training and guidance for this formalized role.
- Provide the oversight departments (CAO, Finance, Law, Procurement) with a clear, high-level point of contact at each contracting department.

**Timeline:** This is a **medium-term** recommendation.

*Recommendation 2.6: Confirm and communicate the goals and expectations of the Procurement review step.*

A critical review in the conformance process, the Procurement Department approval step is meant to ensure the City is following all applicable laws, regulations, and policies but, it is poorly understood by City staff.<sup>89</sup> To remedy, the Procurement Department should review, confirm, and document the activities in its step and compare those activities to other required steps to ensure that different departments are not duplicating efforts. Then, Procurement should develop a “cheat sheet” for department contracting staff that clearly explains the complete list of documents that Procurement needs to review, along with a checklist showing what Procurement is reviewing for. This document will need to be continuously updated to reflect any policy changes and shared with conformance staff citywide.

**Impact:**

- Alleviating the need for corrections or rejections at the Procurement review step that cause delays.

**Timeline:** This is a **short-term** recommendation.

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<sup>89</sup> See Finding 7b on page 28.

### Goal 3: Increase transparency and accountability

*Summary of recommendations in this category*

| Recommendation   | Impact assessment | Timeline    |
|--|-------------------|-------------|
| 3.1. Amend public reporting routines   | Medium            | Long-term   |
| 3.2. Establish and publish conformance timelines for different contracting processes                                 | Medium            | Medium-term |
| 3.3. Develop progress-tracking dashboards for City leaders, department conformance and fiscal staff, and Procurement | Medium            | Long-term   |

*Recommendation 3.1: Revise City Code to amend public reporting routines around conformance and payment timelines to make them more useful and accessible for oversight bodies and the public at large, and easier for City staff to produce.*

Effective performance management and oversight of the conformance system requires ongoing data analysis enabled by accurate and timely reporting. A good reporting routine allows the City to regularly communicate strengths and opportunities and helps partners in government (e.g., the City Council, City Controller, the Inspector General), the public, and media focus oversight, policymaking, and advocacy efforts in areas of greatest opportunity.

The Procurement Department should identify the most relevant and impactful information to report and, in collaboration with the City Council and other key stakeholders, design and deploy updated reports capturing this information. Ultimately, the City should leverage the OPAL roll out to design reports that can be generated automatically and updated regularly.

**Impact:**

- Improved information to City Council and the public at large, leading to better informed oversight and policymaking.
- Reduced burden on City staff.

**Timeline:** This is a **long-term** recommendation. Adjusting the City’s professional services conformance reporting requirements will require the City Council to amend Title 17 Chapter 1400 of the City Code.<sup>90</sup>

*Recommendation 3.2: Establish and publish conformance timelines for different contracting processes.*

As of FY25, the City set an 80-day target for conforming professional services contracts.<sup>91</sup> This target, however, is not widely known by City staff or vendors so it isn’t serving as an

<sup>90</sup> Philadelphia Code. Title 17, §17-1400. City of Philadelphia, American Legal Publishing. [https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia\\_pa/0-0-0-296144](https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-296144)

<sup>91</sup> Budget Office, City of Philadelphia. (n.d.). Fiscal 2026 operating budget. <https://www.phila.gov/media/20250328163711/Procurement-Budget-Detail-Proposed-FY26.pdf#page=31>

accountability metric. Additionally, different contracting methods have different timelines—while 85 days may be appropriate for a standard, advertised contract, an SOP contract should be quicker. Expected timelines should also include benchmarks disaggregated by step (*e.g.*, the Procurement Department step should take no longer than *X* days). These benchmarks should be re-evaluated on a regular basis.<sup>92</sup>

**Impact:**

- Shared accountability metrics for the City and vendors to hold each other to
- Shared benchmarks for the City to use to guide internal workflows internally and hold colleagues accountable to
- Provide City departments and vendors alike with the opportunity for better planning (*e.g.*, if this timeline is expected of our organization, what resources will we need to have in place during that period?).

**Timeline:** This is a **medium-term** recommendation.

In the **short term**, the City should use existing analysis of administrative data to develop benchmarks for each contracting method, by step, and then circulate to City staff for feedback. Once workshopped internally, the City can publish benchmarks and develop a cadence for updating going forward.

*Recommendation 3.3: Develop dashboards to support City leaders, department conformance and fiscal staff, and the Procurement Department to manage the conformance process.*

The City should develop dashboards tailored to the specific needs of key actors, providing comprehensive summaries to support informed decision-making and management.<sup>93</sup> Dashboards would support key staff to identify strengths and challenges, flag immediate or upcoming issues, and prompt opportunities to intervene with technical assistance, resources, and/or policy change.<sup>94</sup> Crucially, a dashboard tool would need to be supported by routines for reviewing and discussing it (*e.g.*, a standing agenda item in regular check-ins between department heads and City Hall).

For City leadership (*e.g.*, the CAO’s office, City Hall), dashboards could include clear, high-impact metrics like the percentage of contracts conformed on time, by quarter and department; the total number and dollar value of backlogged contracts citywide; progress on contract planning milestones for the upcoming fiscal year; and department conformance performance trends over time. Dashboards for “lay leaders” should translate technical contracting materials into easily accessible, plain language.

For department heads and conformance managers, dashboards would provide more actionable details, such as contracts currently in backlog and the number of days overdue,

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<sup>92</sup> See model table with Procurement Milestones used by the U.S. Department of Interior in Appendix E.

<sup>93</sup> This recommendation is focused on dashboards for internal City management. Improved reporting for public accountability and policymaking is critical as well, see Recommendation 3.1 on page 49.

<sup>94</sup> See basic template dashboard and example of dashboard in-use in Long Beach, CA in Appendix E.

status by conformance step (*e.g.*, pending legal review, awaiting vendor signature), and alerts for contracts at risk of missing key deadlines or experiencing significant delays as compared to the expected timeline. Dashboards to support the Procurement Department would provide a detailed overview of the most up-to-date contracting statistics for each department and citywide.

City leaders, from the Mayor to frontline staff, have said that on-time contracting is a priority of the administration. However, the City does not have the internal reporting systems necessary for informed management of the priority. The City's current internal reports—for example, ACIS' Conformed Item History and Conformance Performance reports—are not widely used, shared, or understood. Without data, City leaders are often forced to manage contracts based on anecdotes or by responding to the challenge of the moment.

**Impact:**

- Monitoring and management of the conformance system based on data.
- Ability to document and publicize success stories (*e.g.* system improvements) to build confidence with external partners, and address challenges or gaps proactively.
- Facilitate shared understanding across different positions to ensure that staff in distinct roles are able to work together.

**Timeline:** In the **short term**, the City could reconfigure existing reports in its contract management system to produce a single dashboard with basic, but still critical, metrics.

In the **long term**, unique dashboards with tailored information for specific groups of actors should be built into the OPAL product. To prepare for this, the City will need to engage a range of stakeholders to understand business needs for these dashboards.

**Ongoing City efforts:** The CAO's Compliance Manager manually produces crucial information for City leadership and staff to understand the status of conformance efforts.

The OPAL product will include off-the-shelf dashboards that the City's OPAL team is determining how to best deploy. In addition, the OPAL team intends to engage a range of stakeholder users (*e.g.*, Procurement Commissioner, Deputy Finance Director, Conformance Managers) on their business needs to build custom reports. Non-OPAL users should also be engaged to understand, for example, what information they want to see, in what format, at what cadence, and as part of which routine.

## Goal 4: Support the City’s line staff

*Summary of recommendations in this category*

| Recommendation  | Impact assessment | Timeline             |
|---|-------------------|----------------------|
| 4.1. Empower and resource Procurement to lead the City’s professional services contracting function           | High              | Long-term            |
| 4.2. Develop a comprehensive, citywide training program that details the conformance process and expectations | High              | Medium- to long-term |
| 4.3a. Provide a standardized approach and coordinate approvals for Q1 contracts                               | High              | Short-term           |
| 4.3b. Maintain and expand the ongoing efforts to conform backlogged contracts                                 | High              | Medium-term          |
| 4.4. Produce basic reports to compare contract/amendment value to encumbrance amount                          | Medium            | Short-term           |
| 4.5. Review staffing numbers, titles, and compensation for conformance and fiscal staff                       | Medium            | Medium-term          |
| 4.6. Organize and maintain an active, engaging community of practice for conformance staff                    | Low               | Short-term           |
| 4.7. Develop and maintain a citywide contact list for conformance staff                                       | Low               | Short-term           |

*Recommendation 4.1: Redefine Procurement’s role, and resource it accordingly, so that it leads and is ultimately responsible for the City’s professional services contracting function.*

Currently, the Procurement Department leads on specific tactical, essential functions within the broader conformance process—for example, managing the ACIS system, developing training resources, and facilitating citywide conformance staff meetings. The City should expand Procurement’s role to centralize all essential leadership functions, both strategic and tactical, to support the smooth operation of the conformance ecosystem. While the contracting system maintains its “federalization” with contracting departments holding the responsibility for their own contracts, a strong Procurement Department is critical to governance, policy, and strategy leadership, including:

- Providing technical assistance to departments and vendors;
- Facilitating collaboration between departments;
- Managing the contract oversight process;
- Coordinating staff and vendor training routines;
- Leading the City’s contract planning process;
- Guiding procurement-related policy making;
- Shaping citywide communication efforts to key internal and external stakeholders;

- Identifying critical technical needs and working with OIT to develop and deploy solutions; and
- Leading the City’s strategic sourcing efforts, particularly as the City expands its utilization of unitary and cooperative contracts.

The Procurement Department is poised to take on this more strategic leadership role, transitioning from a reactive role to a more forward-looking, collaborative leader that is proactively seeking out the needs of the City and working with its colleagues across government to find solutions.

**Impact:**

- Expanded strategic leadership and direction-setting capacity to drive new systems, processes, organizational development, and major policy changes.
- Improved support for contracting departments when complex challenges arise and when developing plans and new strategies.
- New opportunities for accountability and support for struggling contracting departments or vendors.
- Eased responsibilities for contracting departments (*e.g.*, if Procurement leads on training, reduced need for departments to develop their own training processes).

**Timeline:** This is a **medium- to long-term** recommendation. The Procurement Department is a chronically understaffed department (relative to its responsibilities) and this recommendation proposes a significant expansion in Procurement Department responsibilities and full staffing. To equip Procurement to take on this reimagined role, it will need to have the necessary staff resources. The City should begin by developing an organizational and staffing model that will support Procurement to meet its expanded responsibilities and coordinate with the Budget Office to identify opportunities for long-term resourcing to sustain that expansion.

*Recommendation 4.2: Develop a comprehensive, citywide training program for department conformance staff, oversight staff, and program staff that details the conformance process and expectations.*

To ensure that City staff have clear and useful training resources at their disposal, the City should work to develop a refreshed conformance training program that details policies and best practices for specific tasks. This would include developing new resources and refreshing others (*e.g.*, step-by-step guides, policy documents, FAQs, vendor-facing resources, and process maps) currently available on the City’s intranet and other locations.

Specifically, the City should:

- Audit existing materials to identify what’s outdated, missing, or redundant;
- Engage users (*e.g.*, department contract staff, conformance managers, vendors) to understand what types of training and resources they use most and where they experience gaps;
- Define a scope of work for updating or creating and delivering new trainings and materials (*e.g.*, improved step-by-step guides reflective of latest processes,

- searchable FAQ sections, updated contact lists, or presenting process flow diagrams or conformance step checklists);
- Establish a central, easy-to-navigate location on the intranet or another secure online platform (e.g., employee.phila.gov) where all contracting materials can be housed and regularly accessed (ensuring this can be integrated into OPAL); and
- Create a clear plan for maintenance, including assigning ownership to Procurement, ensuring appropriate resourcing, and establishing routine updates where Procurement takes stock of outdated materials and plans to replace them or make additions.

Developing a comprehensive, citywide training curriculum—and identifying the ongoing resources needed to continuously update materials and deliver trainings—is a direct response to City staff’s call for increased training and support.<sup>95</sup>

**Impact:**

- Upskill current conformance staff citywide.
- Ease frustration and burnout among staff.
- Conformance system that functions cohesively, following common standards and best practices.
- Increased efficiency for vendors and oversight departments who can function under one City system rather than the many department systems.

**Timeline:** This is a **medium- to long-term** recommendation. To begin, the City should explore opportunities to partner with the City College for Municipal Employment, CAO’s Office of Talent & Employee Success, and/or outside contracted resources and develop a project plan or RFP to drive this work.

**Ongoing City efforts:** The Procurement Department is developing additional foundational resources (e.g., introduction to strategic sourcing) for City staff.

*Recommendation 4.3: Expanding on the City’s recent efforts, formalize and resource sustainable routines that support contracting departments in conforming challenging sets of contracts (e.g., contracts that begin in the first quarter of the fiscal year, backlogged contracts).*

Drawing on learnings from recent successful CAO-led initiatives (e.g., monthly meetings with the CAO Compliance Manager, the Fall 2024 Collaboration Lab, and a dedicated effort to support department staff to prepare to conform FY26 contracts with Q1 start dates), the City should develop routines that formalize these efforts and incorporate them as standard practices.

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<sup>95</sup> See Finding 7 on page 27.

Recommendation 4.3a: Provide a standardized approach and coordinate approvals from oversights to support the conformance of contracts that begin in the first quarter of the fiscal year.

In response to the persistent challenges associated with conforming the high volume of contracts with a Q1 start date on time, the CAO's office reported a successful effort in 2025 to prepare departments to conform FY26 contracts with a Q1 start date as close to schedule as possible.<sup>96</sup> This ad hoc effort involved close coordination with department contracting teams and a significant time investment from the CAO's office.

The City should build on the learnings from this recent effort to design, plan for, and roll out an extended process to prepare for Q1 FY27 contracts. Coordinated by the CAO or Procurement with support from Law and Finance, the City should centralize its planning and support for on-time conformance of FY27 contracts to ensure the continuous delivery of essential services. This could entail:

- CAO requesting that departments confirm their plans and submit draft scopes for FY27 contracts by January 2026;
- Outlining additional critical milestones through June 2026 (e.g., complete RFP evaluations by February, notice of intent to contract by March);
- Maintaining support available to departments for advancing contracts (e.g., weekly meetings between CAO or Procurement and the highest-volume contracting departments and monthly meetings with department administrative leaders on progress); and
- Establishing a dashboard that would track conformance progress throughout.

New York City's Mayor's Office of Contract Services uses a similar approach with its Timely Registration Initiative. For FY26, New York City reported that 88% of human service contracts were submitted for registration (New York's equivalent to conformance) on time—up from 64% the previous year.<sup>97</sup>

**Impact:**

- Routinely conform Q1 contracts prior to start date.
- Reduce staff stress and overwork surrounding Q1 conformance by creating routines and organization around the process.
- As Q1 contracts are conformed in a timely manner, more resources become available to conform Q2 to Q4 contracts punctually (rather than working to clear backlog).
- Learn lessons to apply throughout the year.

**Timeline:** This is a **short-term** recommendation. The City should work to develop the structure for this centralized planning process such that it can be activated by the end of

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<sup>96</sup> See Finding 7a on page 28.

<sup>97</sup> NYC's Mayor's Office of Contract Services. (2025, August 22). *After the storm: A clearer path for New York's nonprofits*. LinkedIn. <https://www.linkedin.com/pulse/after-perfect-storm-nearly-rainbow-rsxef/>

2025, preparing departments with the planning structure they need to conform contracts with a Q1 FY27 start date on time.<sup>98</sup>

**Ongoing City effort:** The CAO’s Compliance Manager has provided centralized support for conforming Q1 FY26 contracts, including monitoring and reporting on progress and providing hands-on support for delayed or complex contracts.

Recommendation 4.3b: Maintain and expand the ongoing efforts to conform backlogged contracts through targeted support for departments.

The City’s goal should be a conformance system with zero backlogged contracts (*i.e.* all contracts are conformed prior to start date). However, until this is the case, the City needs a system in place for supporting contracting departments struggling with a backlog.<sup>99</sup> We recommend a two-fold solution:

- Continue CAO’s monthly working sessions with conformance leads and make them mandatory for departments with significant backlogs; and
- Develop an easy-to-read, monthly dashboard for each department leader, the CAO, and City Hall, showing the number and value of backlogged contracts. Support department leaders with routines to review the dashboard, and to understand the current contract backlog and upcoming deadlines. This information could be a discrete component of the system-wide dashboards described in Recommendation 14.

The City can also consider the design of the intensive support provided. For struggling departments, the City might move to a 1:1 check-in model with the CAO facilitating follow-up meetings with Law, Procurement, and Finance as the situation requires.

**Impact:**

- Expanded CAO visibility into department contracting challenges.
- Additional support for contracting departments to navigate complex issues or coordinate with oversight departments.
- Build trust between centralized procurement support and contracting department staff.

**Timeline:** This is a **medium-term** recommendation.

**Ongoing City effort:** The CAO’s office has developed a blueprint for high-touch, individualized support; however, it relies on a single staff member to provide support citywide. Now, the City needs to plan and resource to deploy that model across the City so that departments receive sufficient support responsive to the challenges they face and relationships can be managed across multiple people.

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<sup>98</sup> See sample timeline in Appendix E.

<sup>99</sup> See Finding 4a on page 18.

*Recommendation 4.4: Produce basic reports for Finance and contracting departments to compare contract/amendment value to encumbrance amount.*

The City should produce regular, user-friendly reports that compare the total dollar amount on a contract to the corresponding encumbrance amounts recorded in the City's internal contract management system.

Finance staff and conformance staff do not have access to a shared report that ensures that the dollar amount indicated on a contract in the City's internal contract management system (ACIS) matches the corresponding encumbrance amount recorded in the City's internal financial management system (FAMIS).

**Impact:**

- Improve financial oversight.
- Reduce delays tied to mismatches.
- Create a “shared source” for conversations between Finance and the contracting department.

**Timeline:** This is a **short-term** recommendation. The City has the information at its disposal to develop this report now, as an integration of multiple existing reports. In the **long term**, the City should ensure that OPAL includes the capability to easily produce this report by automating it on the backend of OPAL.

*Recommendation 4.5: Review current staffing numbers, titles, and compensation for conformance and finance staff citywide to ensure sufficient and equitable resourcing.*

The City should conduct a comprehensive staffing analysis across departments to ensure that departments have the conformance and fiscal staff in place that they need and that staff members are compensated appropriately for the tasks that they are performing. The staffing analysis should also look for opportunities for shared services structures (*e.g.*, multiple low-contract-volume departments share a single conformance staff member or the Managing Director's Office holds contracting responsibilities for a small department, as is active practice).

While the Spring 2025 survey conducted with the CAO did not present a clear link between staffing numbers and conformance timelines, the City should prioritize following up with the departments that handle a larger volume of contracts and report a lack of sufficient staff or being unsure if current staffing levels are sufficient.<sup>100</sup> These departments include Water, Law, DBHIDS, Public Health, and OIT.

**Impact:**

- Determine the extent and location of the City's staffing needs.
- Improve understanding of why departments with strong performance indicators are experiencing the successes that they are—routines, staff, relationships with vendor partners, distribution of specific contract types, *etc.*

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<sup>100</sup> See Finding 8 on page 30.

- Identify existing opportunities to compensate staff more fairly for the essential work that they do to support the City’s contracting needs.

**Timeline:** This is a **medium-term** recommendation.

*Recommendation 4.6: Organize and maintain an active, engaging community of practice for conformance staff to learn from one another about strategies for managing common challenges.*

The City should seek to cultivate spaces where staff across departments can regularly come together to learn from one another and to collaboratively solve difficult contracting problems. Key elements to consider may include:

- Peer learning and “train the trainer” opportunities: Creating opportunities for staff to share what has worked (or not worked) in their own departments will encourage collaborative problem-solving. For example, the City could use one quarterly meeting for staff to present and discuss strategies they’ve used to manage unitary contracts and another quarterly meeting for staff to share notes on how to approach common bottlenecks like non-responsive vendors.
- Knowledge sharing platforms: Leverage tools like internal forums, shared digital spaces (such as a Slack channel or dedicated intranet page), or collaborative documents where staff can share questions/answers, resources, and insights.
- Mentorship and buddy systems: Pair new or less experienced staff with more seasoned colleagues for one-on-one mentoring relationships.

**Impact:**

- Foster continuous learning for staff.
- Create a well-connected professional services procurement ecosystem, aware of the key functions and challenges of different teams.
- Orient staff towards collaborative problem solving.

**Timeline:** This is a **short-term** recommendation.

**Ongoing City efforts:** The Procurement Department currently leads the City’s Contract Resource Group meetings, where City staff are invited to hear policy or practice updates. This meeting could be refreshed to include opportunities for shared knowledge building, networking, and collaborative problem solving.

*Recommendation 4.7: Develop and maintain a contact list for conformance staff at each department, including clearly identified leads across departments with authority to advance and sign contracts.*

The City should develop and publish on the intranet a contact list of conformance staff across each department, including name, title, department, email address, and phone number. The City will need to regularly update the contact list to ensure that it stays current in the event of new hires and departures.

Currently, staff throughout the conformance system lack clarity on who to contact when questions or delays arise, which exacerbates bottlenecks when they occur. Similarly, when there are updated procurement policies or practices, the City lacks an up-to-date distribution list of people to engage. Contracting processes can face delays when designated staff are unavailable to advance contracts, such as during periods of heavy workload or out-of-office periods.

**Impact:**

- Eased access to colleagues needed for collaboration.
- “Back-up” colleagues in place in cases of out-of-office or other challenges.

**Timeline:** This is a **short-term** recommendation. The City has an initial set of names and titles with which to populate a contact list, based on responses submitted by 21 departments to the CAO/Bennett Midland Spring 2025 staffing survey. The City should compile a list of these names and send the list to all departments, requesting revisions and/or confirmation of the information.

## Goal 5: Ease doing business for the City’s vendor partners

*Summary of recommendations in this category*

| Recommendation  | Impact assessment | Timeline    |
|---|-------------------|-------------|
| 5.1a. Develop a detailed, accessible vendor-facing page with key information about pending contracts  | High              | Medium-term |
| 5.1b. Store copies of key vendor forms in a robust “document vault”                                   | Medium            | Long-term   |
| 5.1c. Automate “rejection” letters to non-selected vendors  | Low               | Medium-term |
| 5.2. Eliminate requirements for non-utilized disclosures; reconsider value of all disclosures         | Medium            | Long-term   |
| 5.3. Provide technical assistance and training on the City’s contracting process for vendors          | Medium            | Medium-term |
| 5.4a. Develop a one-stop-shop web page with public information about the City’s procurement processes | Low               | Medium-term |
| 5.4b. Develop and publish a vendor-facing professional services procurement guide                     | Low               | Long-term   |

*Recommendation 5.1: Ensure OPAL’s supplier portal improves and automates communication between the City and vendors*

The City’s new financial and procurement system, OPAL, is currently in development. OPAL’s supplier portal will allow vendors to more easily engage with the City contracting process, integrating and streamlining multiple systems into one (e.g. proposals, conformance, and invoicing will all happen in OPAL).

Building on the potential of the supplier portal, the portal should also enable:

- Vendors to store copies of key forms in a “document vault,” eliminating the need for duplicative uploads (a version of this in development);
- Vendors to identify the specific step that their contract is in and view expected conformance timelines, FAQs about a given step, and contact information for the staff member(s) currently assigned to their contract; and
- The City to automate “rejection” letters to non-selected vendors.

**Timeline:** These are **medium-to-long-term** recommendations. Where possible, OPAL should consider these recommendations for its initial release. Where not possible, OPAL should consider these recommendations for future development.

**Impact:**

- Reduce vendor frustration associated with duplicative document uploads.
- Contribute to vendor sense of City as cohesive, singular contracting partner (rather than different experiences with each department).
- Provide vendors with clear and transparent information regarding pending contract applications.
- Alleviate staff time spent responding to routine inquiries.
- Create additional accountability for timely conformance.
- Reduces risk to the City by ensuring that applicants are well-informed of their most current application status.

**Recommendation 5.1a: Develop a detailed, easily accessible vendor-facing page with key information about pending contracts.**

Vendors regularly feel frustrated by the lack of transparency in the contracting process, especially when they don't know the status of their pending contracts. When they reach out to the City to receive an update, they do not always receive a timely response.<sup>101</sup>

The City should equip vendors to easily access clear and detailed information around the most current status of their contracts pending conformance, including:

- Specific step of the conformance process their contract is currently in;
- Projected time to conformance based on average City timelines for the specific contracting mechanism being utilized;
- FAQs on the conformance process as a whole and on specific steps in the conformance process; and
- Contact information for the staff member(s) currently assigned to their contract.<sup>102</sup>

**Recommendation 5.1b: Build a robust “document vault,” storing copies of key forms to eliminate the need for vendors to make duplicative uploads.**

The City should enable vendors to store documents requested across multiple contracts (*e.g.*, insurance certificates) in the OPAL system, such that they do not need to re-upload specific documents each time they have a new proposal or contract. The “document vault” should contain parameters around when a given document is set to expire (*e.g.*, the insurance certificate is valid through a certain date) and send automated messages to both the vendor and the contracting department notifying them of the need for any updates.

**Ongoing City efforts:** OPAL and the Procurement Department are currently collaborating to identify how the “document vault” will be used for professional services contracts (*e.g.*, determining where in the contracting process will documents be requested and reviewed, which documents will be eligible).

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<sup>101</sup> See Finding 10 on page 33.

<sup>102</sup> See sample vendor-facing status page in Appendix E.

Recommendation 5.1c: Automate “rejection” letters to non-selected vendors in the application pool.

City staff and vendors alike report a significant amount of correspondence around confirming the status of a vendor’s response to an RFP or other solicitation—that is, “I submitted a proposal, did I receive the contract?” The City should develop and issue standardized notices to vendors who submit responses to RFPs or other solicitations but are not selected, to be shared by staff from the initiating department as a regular business practice for each contracting opportunity. As OPAL comes online, the City should leverage the new system to automate standard rejection letters.

*Recommendation 5.2: Eliminate any disclosure requirements for nonprofit organizations that are not reviewed or utilized by the City. For all vendors, reconsider the value of demographics and salary disclosures that go beyond informing progress towards M/W/DSBE goals.*

For each contract with a value above the formal bidding threshold, the City collects a standard set of disclosures from potential vendors (*e.g.*, aggregate race and gender information on all employees and board members, the three disadvantaged business enterprises that the organization spends the most money with).<sup>103, 104, 105</sup>

While these disclosures are outlined in the Code and reviewed by OEO for all for-profit vendors, OEO *does not* review the disclosures made by nonprofit vendors, and it is unclear if and how the City uses disclosures made by for-profit vendors.<sup>106</sup> The City should therefore consider eliminating these disclosures.

**Impact:**

- Reduce the administrative burden of contracting with the City.
- Reduce demands on already limited staff time.
- Collect and use information required for City’s goals and priorities.

**Timeline:** This is a **long-term** recommendation. Any change to disclosure rules would require the City Council to amend Title 17 Chapter 1400 of the City Code.<sup>107</sup>

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<sup>103</sup> Philadelphia Charter Commission. (1951). *Philadelphia Home Rule Charter* (Code §17-1402(1)(b), 17-1402(1)(e)(2), and 17-1404(3)(a)). American Legal Publishing. [https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia\\_pa/0-0-0-296144](https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-296144)

<sup>104</sup> See Finding 9 on page 31.

<sup>105</sup> City of Philadelphia. (n.d.). *File a contracting disclosure form – Vendors required to complete disclosures before entering into a City contract*. Retrieved November 12, 2025, from <https://www.phila.gov/services/business-self-employment/bidding-on-a-city-contract/file-transparency-in-business-act-disclosure-forms/>

<sup>106</sup>

<sup>107</sup> *Philadelphia Code*. Title 17, §17-1400. City of Philadelphia, American Legal Publishing. [https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia\\_pa/0-0-0-296144](https://codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-296144)

**Ongoing City efforts:** In light of the current legal landscape, the City is considering reform of its OEO and related requirements. As this Law Department-led process continues, the City should consider the implications of any changes for the administrative burden on vendors and look for additional opportunities to reduce the burden.

*Recommendation 5.3: Provide technical assistance (TA) and training on the City’s contracting process for vendors, especially new vendors and smaller vendors who may not be as comfortable navigating the City’s contracting process.*

Considering the complexity of doing business with the City, the City should offer technical assistance and training—either directly from the City or through contracted local partners—to support potential and current vendors to develop the infrastructure and skills they need to successfully contract. TA and training would support vendors, especially new and under-resourced vendors, to understand specific requirements of working with the City, while also building their capacity around more general skills associated with contracting and financial management.

Strategies for providing TA programs could include:

- Mandatory trainings for vendors;
- Drop-in office hours;
- Facilitated peer learning groups;
- Subsidized shared services; and
- 1:1 follow-up meetings for additional support.

**Impact:**

- Equip smaller and under-resourced organizations to meaningfully participate in the City’s contracting system.
- Support vendors with real-time troubleshooting, reducing delays in producing key application materials.
- Build the administrative capacity of local organizations to compete for future business opportunities (within or outside of government).

**Timeline:** This is a **medium-term** recommendation. To develop a TA curriculum, the City should engage vendors and contracting departments to understand what vendors most need to successfully contract with the City. The curriculum should consider the needs of vendors of different sizes, back-office capacity, and experience.

**Ongoing City efforts:** Discrete contracts in the City’s portfolio come with direct technical assistance support to nonprofit vendors, and/or financial intermediaries that function between nonprofit vendors and the City, to ensure complete and timely administrative processes (e.g., invoice submission and payment).<sup>108</sup>

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<sup>108</sup> See Finding 10 on page 33.

*Recommendation 5.4: Develop, implement, and maintain a vendor engagement and communications strategy to support an informed and collaborative community of vendor partners.*

As vendors navigate the complicated contracting ecosystem in their business with the City, many feel frustrated by what they perceive as the “black box” of the City’s conformance process.<sup>109</sup>

Recommendation 5.4a: Develop an accessible, well-advertised, well-maintained one-stop-shop web page for public information about the City’s procurement processes.

The City should aggregate critical contracting resources (*e.g.*, policy documents, contract news, public reports, contact information, training resources) in one comprehensive location (rather than across multiple City websites, as it is now) and effectively direct vendors to it. The City will need to regularly maintain this site, posting updated resources and opportunities when needed and ensuring that all resources remain accessible.

**Timeline:** This is a **medium-term** recommendation. As a public-facing resource page is not currently contemplated for the OPAL system, the City will need to prioritize building and maintaining a single webpage and assign ownership of that page to Procurement.

**Impact:**

- Improve public awareness of and access to existing contracting resources
- Reduce City staff need to respond to general questions from vendors

**Ongoing City efforts:** As it prepares for launch, the OPAL team is building a page into the OPAL platform that will serve as a repository of resources and knowledge to support engagement with the City’s contracting system. However, vendors will need to sign in to access this resource. The OPAL team should work to develop a version of that page that anyone can access; however, if not possible by OPAL launch date, the City should maintain a second, public version.

Recommendation 5.4b: Develop and publish a vendor-facing professional services procurement guide that explains the conformance process.

Vendors sometimes struggle to understand where their contract is in the conformance process and how long conformance will take.<sup>110</sup> In collaboration with leaders in the vendor community, the City should develop a simple guide that clearly and transparently describes:

- The steps of the conformance process;
- The associated activities at each step;
- The department responsible for executing each step; and
- The expected timeline associated with the conformance process as a whole and with each step.

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<sup>109</sup> Ibid.

<sup>110</sup> Ibid.

**Timeline:** This is a **long-term** recommendation. While the City can develop clarifying materials in the short term, this guide should ultimately reflect and be released alongside the future-state professional services procurement system that the City is working towards (*e.g.*, process changes associated with the planned revisions to the City Charter and Code, adjustments to conformance routines associated with the OPAL launch). The guide should be published on the City’s website and included as an appendix in RFPs to ensure clear visibility for all vendors working with the City.

**Impact:**

- Empower vendors to successfully manage their side of the conformance process
- Build vendor expertise
- Reduce City staff need to respond to general questions from vendors

**Appendix A: Methodology**

This report includes quantitative and qualitative analysis of the City’s professional services procurement system that was conducted between December 2024 and September 2025. During this phase of work, Bennett Midland, in partnership with Pew, analyzed and documented the current system to make recommendations that support the City of Philadelphia to conform and pay professional services contracts on time.

The research was oriented around the following guiding questions:

1. Understanding the current system and processes
  - What happens in each step of the procurement process? How do practices differ across agencies? Across contract types? Across contract mechanisms? Across size or type of vendor? When a financial intermediary is contracted?
  - How do processes differ for amendments and renewals versus initial contract conformance?
  - How does the procurement process differ between RFP and non-RFP contracts (nonprofit exemption, sole source, amendment, *etc.*)?
2. Defining average procurement and payment timelines
  - How long does each step of the procurement process take?
  - Do overall and step-by-step timelines differ by:
    - o Department;
    - o RFP vs. non-RFP (amendment, renewal, nonprofit exemption);
    - o Contract structure;
    - o Dollar amount;
    - o Amendment/renewal vs. new contract;
    - o Department draft vs. Law draft; and
    - o Type of vendor (*e.g.*, nonprofit vs. for-profit)?
  - What percentage of contracts are conformed after work is expected to begin, by:
    - o Department;
    - o RFP vs. non-RFP (amendment, renewal, nonprofit exemption);
    - o Contract structure;
    - o Dollar amount;
    - o Department draft vs. Law draft; and
    - o Type of vendor (*e.g.*, nonprofit vs. for-profit)?
  - How long are contracts waiting for review and signature at each level of the conformance process?
    - o Including before a contract is officially routed?
3. Identifying routines and tools
  - What are the systems (*e.g.*, databases, software) used in each step? How do they differ by department?
    - o What is the utility and value of these systems?
    - o What systems will be phased out by the introduction of OPAL and how will that impact procurement processes?
  - What accountability mechanisms exist to encourage timely conformance?

- How and when is information shared with contractors throughout the procurement process? With other City stakeholders?
4. Understanding procurement policies and management
    - What are the key laws, rules, and policies that govern the procurement process?
    - Do current procurement challenges impact the City’s ability to fully utilize state and federal funding? If so, how?
    - What is the role of each department in the training of procurement staff? What is the culture around procurement in the City? How are knowledge and information shared between departments?
  5. Other examples for reform
    - Where do models or best practices already exist within the City that can be expanded and memorialized?
    - Which of the reform strategies that other cities have attempted to tackle similar challenges have been successful and can serve as a model?

#### Data analysis

We analyzed of City administrative data to better understand quantitative measures of the performance of the City’s conformance system, including median days to conformance across all contracts, median days to conformance by contracting mechanism, contract volume, and frequency of timely conformance.<sup>111</sup> We largely relied on the raw data captured in two reports that present data from the City’s internal contract management system, Automated Contract Information System (ACIS): Conformed Item History and Conformance Performance. The City made available data for contracts conformed from the beginning of Fiscal Year 2020 (July 2019) through January of Fiscal Year 2025 (January 2025).

We also reviewed FY18-Jan. FY25 data on contracts tagged as unitary contracts, highlighting vendor status (nonprofit/for-profit), and detailing reasons for exemptions.

#### Qualitative analysis

Bennett Midland facilitated formal interviews (including 1:1 interviews and small-group discussions) with 39 stakeholders across 17 City departments to understand challenges, strengths, and opportunities in the professional services conformance system from the perspective of the staff and leaders that do the work every day. We also spoke with eight external stakeholders representing Philadelphia nonprofit organizations and foundations and peer government procurement specialists.

The interviews with City stakeholders included:

- Fourteen interviews with contracting department conformance and fiscal staff and leadership;
- Seven interviews with oversight department leadership and staff; and

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<sup>111</sup> See Appendix D for a complete list of the City’s contracting mechanisms and associated definitions.

- Four interviews with members of the OPAL team.

Bennett Midland developed an interview guide for each type of interviewee and followed a consistent interview structure, with two Bennett Midland staffers engaged in each interview. Individual questions were tailored to each interview; sample interview questions included:

### *Team structure and responsibilities*

- Could you tell us about the roles and responsibilities of your team and how the team is organized in relationship to professional services contracts?

### *Processes*

- What are the steps taken to procure and conform contracts within your office?
- When you think about the professional services contracting process:
  - o Which steps are working well? Which steps introduce delays? Which steps are most challenging for your team and for contractors?
  - o What are the greatest pain points in your processes? What current policies or procedures have or currently make your job more difficult?
  - o What feedback on the professional services contracting process do you tend to receive from departments and vendors?

### *Support for staff*

- What current policies or procedures make your job more difficult?
- Do you feel that the contracts-to-staff ratio is balanced at your department?
- Could you tell us a little bit more about the type of training staff in your role receive?
- What professional development opportunities exist for staff in your role?

### *Suggestions for reform*

- If you step back and take an “anything is possible” perspective about your role, what changes to either the City’s overall contracting processes or [department’s] specific contracting processes would most improve how you experience your work?

### Staffing survey

In Spring 2025, the office of the CAO and Bennett Midland issued a staffing survey to gather information about professional services conformance capacity at contracting departments and to support the City in identifying opportunities where departments’ contracting capacity can be enhanced.<sup>112</sup> The survey included questions designed to better understand the contract load across departments, the number and titles of conformance staff assigned to various contracting responsibilities, and the departments’ perceptions of whether staffing gaps are a key determinant of their ability to conform contracts on time.

While they represents an initial view, the survey results are limited in that they offer visibility only into the staffing levels of the responding departments, rely on the respondent’s

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<sup>112</sup> See Appendix F for the complete list of survey questions.

*perception* of staffing levels and the sufficiency of those levels to understand the full department, and could not be anonymized, so respondents may have considered how their responses would be received by the CAO. Further, ten out of 26 respondents reported being unsure about their team’s ability to either conform or pay contracts on time, creating challenges in effectively interpreting the data.

### Landscape analysis

We conducted desk research and interviews with external procurement experts to compare Philadelphia’s conformance processes with those at the federal level, within the state of Pennsylvania, and in peer cities such as New York City, Boston, Los Angeles, and San Francisco. The landscape analysis aimed to identify best practices from other jurisdictions in response to similar procurement challenges and to assess where Philadelphia’s policies or practices may diverge from prevailing standards, with the goal of aligning the City’s conformance ecosystem with modern, evidence-driven best practices.

### Previous research

In the earlier phase of research in 2024, Bennett Midland conducted 21 interviews with 35 stakeholders from outside of City government to understand the current state of City procurement and surface opportunities from the perspectives of nonprofit vendor partners and others. The following groups were included in the interview process:

- Six individual interviews with nonprofit leaders;<sup>113</sup>
- Five group interviews with two to four nonprofit leaders each;
- Two individual interviews with leaders of financial intermediaries;
- Two individual interviews with former City officials with knowledge of the procurement process and past initiatives;
- Three individual interviews with Philadelphia-based philanthropic leaders; and
- Three individual interviews with procurement leaders who led or consulted on procurement reform efforts in US cities.

Prior to an interview, each interviewee signed an informed consent form that explained the purpose of the research and committed that Pew and Bennett Midland would not identify the individual as an interviewee or attribute any quote to the person without prior review and written consent.

Bennett Midland developed an interview guide for each type of interviewee and followed a consistent interview structure, with two Bennett Midland staffers engaged in each interview. Sample interview questions included:

- How long does the contracting process typically take, from the initial application to registration?
  - o Are there formal or informal timeline guidelines the City or your organization is meant to follow?
- Where in the conformance process do you experience the greatest bottlenecks?

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<sup>113</sup> One individual interview featured two leaders from the same organization.

- Are there any specific documentation or paperwork requirements that seem to prolong the contracting process?
- Based on your experiences, what specific steps or reforms do you think could be implemented to streamline the contracting process within the City, reducing the time it takes to execute contracts?
- What has been your experience with payment timelines once a contract is executed?
  - o Where in the process do you experience the greatest bottlenecks?
  - o If your payments are delayed, by how long are they delayed?

Additional limitations

- We did not review or analyze conformance data for non-professional services contracts (*i.e.*, non-professional services, supplies, and equipment contracts, or public works and construction contracts). None of the analysis or recommendations that follow should be considered directly applicable to non-professional services contracts.
- While the City began implementing changes to its contract amendment processes in response to early findings during the latter half of FY25, this report does not evaluate the impact of those changes due to the lack of available data. Similarly, the City Council removed the limited nonprofit exemption to the City’s standard solicitation requirement beginning in FY26; however, this report does not evaluate the impact of that change due to the lack of available data.
- All data was recorded and analyzed in calendar days rather than business days, as is the City’s reporting practice.
- The COVID-19 pandemic, which disrupted typical ways of working, occurred during the period of our analysis. We have not altered our analysis to account for the effects of the pandemic.

**Appendix B: City Stakeholder Procurement Working Group Charter and membership***Background*

The City of Philadelphia (the City) currently spends more than \$3.8 billion each year on the procurement of services, including partnerships with nonprofit organizations to deliver critical services to residents. Service providers often face the challenge of delayed contract conformance and payment, which leads to them starting work before a contract is in place and/or waiting extended periods for payment following service delivery.

The Parker administration has recognized the important need for contract reform in Philadelphia. On October 31, 2024, Mayor Parker announced her intention to fundamentally improve the way that the City partners with and pays its contracted service providers. Delayed conformance and payment are a challenge decades in the making and the Mayor has committed this administration to solving it.

As part of the City’s effort to achieve long-term, sustainable reform in the contracting process, the Office of the Chief Administrative Officer has partnered with Pew Charitable Trusts and Bennett Midland to analyze the City’s current professional services procurement processes and develop actionable, vetted reform options. This collaboration will build off work begun during the City’s success conformance and payment sprint in October/November as well as the City Council’s Non-Profit Provider Task Force.

That partnership established the City Stakeholder Procurement Working Group (“Working Group”), a group of City leaders who will serve a critical stewardship role as this work unfolds.

*Mission*

The mission of the City Stakeholder Procurement Working Group is to identify and advance recommendations that are feasible, actionable, and, taken together, will enable the City of Philadelphia to consistently conform and pay professional services contracts on time. The work will also focus on ensuring that the work of City staff is rendered easier and more efficient.

*Description of duties*

City Stakeholder Procurement Working Group members are expected to:

1. Be knowledgeable of the procurement and conformance processes in their respective departments.
2. Attend and engage in monthly City Stakeholder Procurement Working Group meetings to:
  - a. Review, fact-check and offer departmental expertise on the provided prereading materials prior to scheduled meetings. Prereading materials will be shared at least three days before the meeting, and are a key source of
  - b. Contribute to the drafting of the recommendations by checking for feasibility (budget, staff capacity, infrastructure, *etc.*) and an actionable implementation plan, keeping in mind overall potential for impact.

3. Engage in conversations with colleagues to bring facts to the City Stakeholder Procurement Working Group meetings on matters such as: best practices across City departments, greatest challenges across departments, and resource constraints to help inform recommendations.
4. Provide expertise on targeted areas of proposed initiatives, bringing in perspectives of departmental culture and routines, and anticipating unintended consequences.
5. Review and provide input on critical work products, like the final report on findings and recommendations produced by Pew and Bennett Midland.

*City Stakeholder Procurement Working Group members*

The City Stakeholder Procurement Working Group is made up of City leaders with the experience, expertise, perspective, and power to drive the development and implementation of a high-impact reform agenda.

| <b>Name</b>          | <b>Title</b>  | <b>Department/Office</b>                               |
|----------------------|---|--|
| Camille Duchaussee   | Chief Administrative Officer                        | Office of the CAO                                      |
| Andrew Buss          | Deputy CAO, Strategic Direction and Transformation  | Office of the CAO                                      |
| Jahira Longcrier     | Compliance Manager                                  | Office of the CAO                                      |
| Tara Woody           | Manager for Strategic Initiatives                   | Office of the CAO                                      |
| Ronald Hovey         | Commissioner  | Procurement  |
| LaShawnda Tompkins   | Deputy Commissioner, Administration                 | Procurement  |
| T. David Williams    | Deputy Commissioner, Professional Services          | Procurement  |
| Amanda Stewart Hause | Chief Deputy City Solicitor                         | Law  |
| Jacqueline Eklund    | Divisional Deputy City Solicitor                    | Law  |
| Catherine Lamb       | First Deputy Finance Director                       | Finance  |
| Rachel Meadows       | Director of Legislative Affairs                     | Office of the Mayor                                    |
| Pat Christmas        | Director, Policy Planning and Delivery              | Office of the Mayor                                    |
| Chris Dailey         | Deputy Director of Strategic Initiatives and Policy | Managing Director's Office                             |
| Joan Yiu             | OPAL Product Manager                                | OIT – OPAL   |
| Crystal Yates-Gale   | Deputy Managing Director                            | Health and Human Services                              |
| Kimberly Ali         | Commissioner  | Human Services   |
| Rita Cairy           | Contract Director                                   | Human Services   |
| Palak Raval-Nelson   | Commissioner  | Health   |
| Ashley Clark-Jackson | Deputy Commissioner – Chief Financial Officer       | Health   |
| Tierra Pritchett     | Deputy Commissioner                                 | Behavioral Health and Intellectual disAbility Services |
| Diana H. Rivera      | Contract Administrator                              | Homeless Services                                      |

*Support*

Bennett Midland, in consultation with the Office of the Chief Administrative Officer, will provide the City Stakeholder Procurement Working Group with the research, administrative, project management, and administrative support necessary to carry out its charge. As part of this support, Bennett Midland will share meeting agendas and prereading materials at least three days prior to the scheduled meeting, facilitate discussion in a way that ensures everyone is heard and feedback is provided, and share written meeting summaries within three days of the meeting. Bennett Midland will establish a system for documenting the Group's progress, including status of the research and drafting of recommendations.

As the partnership concludes, Pew and the City will publish a research report on the findings and recommendations surfaced.

**Appendix C: Glossary**

This glossary defines key terms that appear in our report. We address key terms in the following three sections:

1. Contracting mechanisms;
2. Contracting terminology; and
3. City systems.

| <b>Term</b>                   | <b>Definition</b>   |
|-------------------------------|---|
| <i>Contracting mechanisms</i> |   |
| Department draft              | A contract type in which the initiating City department drafts the contract terms, subject to subsequent review and approval by the City’s Law Department. This is common for longtime contracts with known providers.  |
| Exempt                        | A contract that does not go through the standard competitive bidding process, usually because of a statutory or policy exception (e.g., certain nonprofit or emergency contracts).  |
| Expedited amendment (XAA)     | A streamlined contracting mechanism, introduced in 2018, designed to speed up <i>routine</i> renewals or amendment to existing contracts. As of June 2025, XAAs are now the standard processing mechanism for amendments. The XAA process removes the following steps from the SAA process: contract drafting, internal negotiation, external negotiation, and initial certification. It merges the final certification step with Finance review. |
| Law draft                     | A contract type in which the City’s Law Department drafts the contract language and terms.  |
| Micro purchase (MP)           | A simplified procurement method for the lowest-value contracts (under \$41,000). The micro purchase follows the same conformance process as SOPs. This contracting method has reduced solicitation requirements.  |
| Standard, advertised          | A contracting process in which the City publicly advertises the opportunity, solicits proposals, and evaluates submissions against published criteria (e.g., cost, qualifications, technical approach) to ensure fairness and transparency. These contracts are typically higher in value and require multiple oversight approvals. <i>Also known as non-competitively bid.</i>   |
| Standard amendment (SAA)      | The traditional process for renewing or amending an existing contract, requiring staff to follow the same set of steps as when processing a new contract. As of June 2025, it has largely been replaced with XAA.   |
| Small order purchase (SOP)    | A simplified procurement method for contracts below a set dollar threshold (\$94,000 for non-local businesses; \$124,999 for certified local businesses as of July 2025). SOPs eliminate many approval steps to reduce administrative burden. Compared to the standard, advertised process, the SOP process eliminates the following steps: budget verification, Law contract assignment, Law draft   |

| <b>Term</b>   | <b>Definition</b>   |
|---|---|
|   | internal negotiation, approve as to form, initial certification, final certification, and CAO review. Finance, Law, and Procurement review take place simultaneously.   |
| <i>Contracting terminology</i>                                |   |
| 1+4 model   | Contracting practice of issuing a one-year base contract with up to four one-year renewal options.  |
| Conformance process   | The process by which a contract moves from being drafted and routed through the City’s internal system to being fully executed with all required approvals. The City cannot pay invoices on a contract until it is “conformed.”   |
| Local business entity (LBE)                                   | A business that meets the local bidding preference qualifications in Section 17-109 of the Philadelphia Code. Certification is managed by the City’s Procurement Department.  |
| Minority, Woman, or Disabled-Owned Business Entity (M/W/DSBE) | A business enterprise that is at least 51% owned, operated, and controlled by one or more individuals who are members of a recognized minority group, women, or persons with disabilities. Certification is managed by the City’s Office of Economic Opportunity (OEO).   |
| Professional services   | Contracts for specialized expertise or services (e.g., social services, IT consulting, legal, health services). These are not subject to the “lowest responsible bidder” rule per Section 17-1400 of the City Code.   |
| <i>City governance and systems</i>                            |   |
| Automated Contract Information System (ACIS)                  | The City’s legacy internal digital contract management system, used primarily by conformance-focused staff in contracting and oversight departments to advance contracts through the conformance process.   |
| City Charter / Home Rule Charter                              | Philadelphia’s governing constitution that establishes the structure, powers, and limits of Philadelphia’s government. It defines how the City Council, the Mayor, and administrative departments operate, and it sets binding rules for areas like procurement, budgeting, ethics, and term limits. Amendments to the Charter require approval first by the City Council then by the City’s voters via a referendum. |
| City Code   | The Philadelphia Code is the official compilation of all ordinances enacted by the City Council and approved by the Mayor. It functions as the body of local statutory law that governs how the City operates. Title 17 of the Code sets the rules for contracts, competitive bidding, professional services, payment obligations, local business preferences, and disclosure requirements.                           |
| eContract Philly  | The City’s public-facing online portal for non-competitively bid professional services contracts. Vendors use it to view opportunities, submit proposals, and complete required disclosures. The City uses it to post opportunities, post notices of  |

| Term   | Definition   |
|--|--|
|  | intent to contract, and publish public reports summarizing non-bid contract activity.  |
| Financial Accounting Management Information System (FAMIS) | The City’s legacy internal digital accounting system of record, used primarily by fiscal-focused staff in contracting and oversight departments to encumber funds and process payments.  |
| Optimizing Procurement and Accounting Logistics (OPAL)     | Philadelphia’s forthcoming integrated procurement and financial management system, set to launch in July 2026. It will replace ACIS and FAMIS, consolidating contract, budget, and payment functions into a single Workday-based platform. |

**Appendix D: Definitions of conformance steps, process maps, and timelines**

The conformance process describes the stage of procurement between the moment a contract opportunity is officially uploaded to the Automated Contract Information System (ACIS), the City’s internal system (*i.e.*, “Routed”) through the point at which every required approval point for both the City and the vendor has been secured and the contract is executed (*i.e.*, “Conformance”). The conformance process does not include the internal development of a scope of work, which occurs prior to routing, or the payment and invoicing process, which can only take place following conformance.

Within the professional services conformance process, there are different contracting mechanisms conformance staff can use to advance a contract. Each mechanism follows a unique process flow, adding or eliminating approvals as appropriate. All contracting methods require approval of the Procurement Department (Procurement), Law Department (Law), the Office of the Director of Finance (Finance), and the Office of Economic Opportunity (OEO).

The application of these different mechanisms is based on the contract’s value, whether it is a competitively bid contract, and whether it is a new contract or an amendment to an existing one. Contracting mechanisms for professional services contracts include:

| <b>Mechanism</b>             | <b>Definition</b>  |
|------------------------------|--|
| Law draft, advertised        | Standard, competitively-bid contracts with terms developed by Law  |
| Department draft, advertised | Standard, competitively-bid contracts with terms developed by the department initiating the contract   |
| Department draft, exempt     | Non-competitively-bid contracts with terms developed by the department initiating the contract   |
| Expedited amendment (XAA)    | Streamlined mechanism used to process all amendments   |
| Small Order Purchase (SOP)   | Streamlined mechanism used to process contracts below \$94,000 for non-local businesses and \$124,999 for registered local businesses <sup>114</sup> |
| Micro purchase (MP)          | Streamlined mechanism used to process contracts below \$41,000   |

See below for step-by-step process maps associated with each contracting mechanism and a detailed definition of each contract step. We note steps that apply only to certain contracting mechanisms.

<sup>114</sup> The Procurement Department adjusts these value thresholds annually to account for inflation.

*Contract step definitions*

| <b>Step</b>                                 | <b>Definition</b>   |
|---|---|
| Contract initiation                         | Conformance Manager from the initiating department uploads required documentation into ACIS ( <i>i.e.</i> , scope of work, budget) to prepare the document for conformance. Departments may initiate contracts on the same day they route or they may initiate contracts in advance for various purposes such as requesting approval of an exemption or preparing associated documents.                           |
| Routing                                     | Conformance Manager marks the contract for routing in ACS, formally beginning the conformance process.  |
| Office of Economic Opportunity (OEO) review | OEO reviews the identified vendor to determine if departments made their best effort to meet a range of M/W/DSBE criteria and submitted required disclosures. Upon approval, OEO sends a compliance memo to the contracting department.<br><br>Contracts with nonprofit vendors bypass OEO review. <sup>115</sup>   |
| Department review                           | Department heads are expected to review and approve the terms of the contract.<br><br>In practice, many departments rely on an authorized signatory to complete this review. <sup>116</sup>   |
| Contract award                              | Conformance Manager shares notice of award and general provisions of the contract with the selected vendor.<br><br>Conformance Manager and Procurement Department post notice of intent to contract on eContract Philly for public awareness.   |
| Post-exempt approval                        | If the contract requires an exemption from standard processes ( <i>e.g.</i> , vendor selection did not include the formal RFP process), this approval step is added to confirm the applicability of the exemption utilized.<br><br>Depending on the exemption requested, a reviewer (Law, Finance, or Contracting Department) approves or rejects the contracting department’s request to bypass the RFP process. |
| Procurement review                          | The Procurement Department reviews the contract for compliance with City law, regulations, and policy, including requirements set out in Title 17 Chapter 1400 of the City Code.  |
| Law contract assignment (Law draft only)    | Attorney assigns contract to Legal Assistant.   |

<sup>115</sup> See Recommendation 2.1 on page 44.

<sup>116</sup> See Recommendation 2.5 on page 47.

|   |   |
|---|---|
| Law draft (Law draft only)                  | Legal Assistant drafts the contract language.   |
| Law contract review (Department draft only) | Attorney reviews terms of Department-drafted contract.  |
| Law review (Department draft only)          | Attorney reviews waivers from the General Provisions (as applicable) in Department-drafted contract at the same time that a contract is routed.   |
| Internal negotiation (Law draft only)       | Led by the Conformance Manager, staff from the initiating department and the Law Department work together to confirm that the terms and conditions of contracts meet the needs of the department, are legally sound, and include all the information needed for conformance.  |
| Contract package assembly                   | Conformance Manager (Department draft) or Legal Assistant (Law draft) assembles a legal contract document on DocuSign, aligning with ACIS records on vendor information, term, compensation amount, not-to-exceed amount, and roles/responsibilities to carry out the contract work.  |
| External negotiation and signatures         | Led by the Conformance Manager of the initiating department, and with support as needed from Law and Finance, the initiating department reaches out to selected vendors with the DocuSign contract, encourages them to review and sign, and ensures vendors are aware of any disclosures that must be made prior to conformance (disclosure information should have initially been provided in Notice of Intent, a document sent to vendor after selection and prior to routing).<br><br>Vendor reviews, signs, and returns contract and any required documentation to initiating department. |
| Budget verification                         | Finance Analysts review contract amount and scope to confirm if it is in the department’s budget plan. For some departments, but not all, Finance verifies whether a department has entered and approved an appropriate encumbrance.  |
| Approve as to form                          | Attorney reviews contract to confirm no unauthorized changes have been made.  |
| Initial certification                       | A Fiscal Assistant confirms that the encumbrance in FAMIS matches the contract amount in ACIS (or, if the funds do not match, that an appropriate encumbrance has been made), certifying the funds are correct as listed in the contract.   |
| Final certification                         | The Fiscal Assistant or another Finance staff member checks the work done in initial certification. Once certified, Fiscal Assistant uploads endorsement sheet to DocuSign document.  |
| CAO review                                  | Compliance Manager reviews the contract language and term length and checks that the amount allocated to a contract does not  |

|                       |   |
|-----------------------|---|
|                       | exceed available funds. If any concerns, the Compliance Manager may discuss encumbrance with Finance.   |
| Department signatures | Initiating department signs contract.   |
| Conformance           | Conformance Manager (for Department draft contracts) or Legal Assistant (for Law draft contracts) confirms all conformance steps have been completed. |

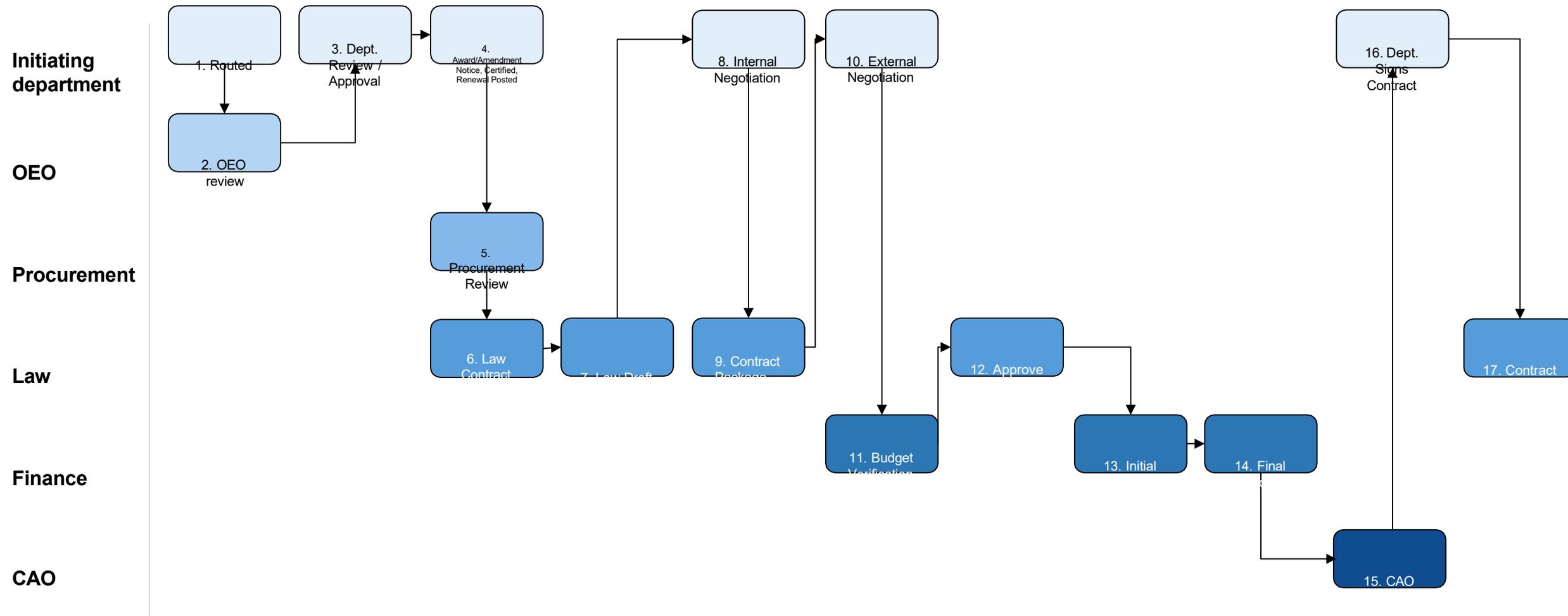
## **Appendix D: Contracting mechanism process maps and timelines**

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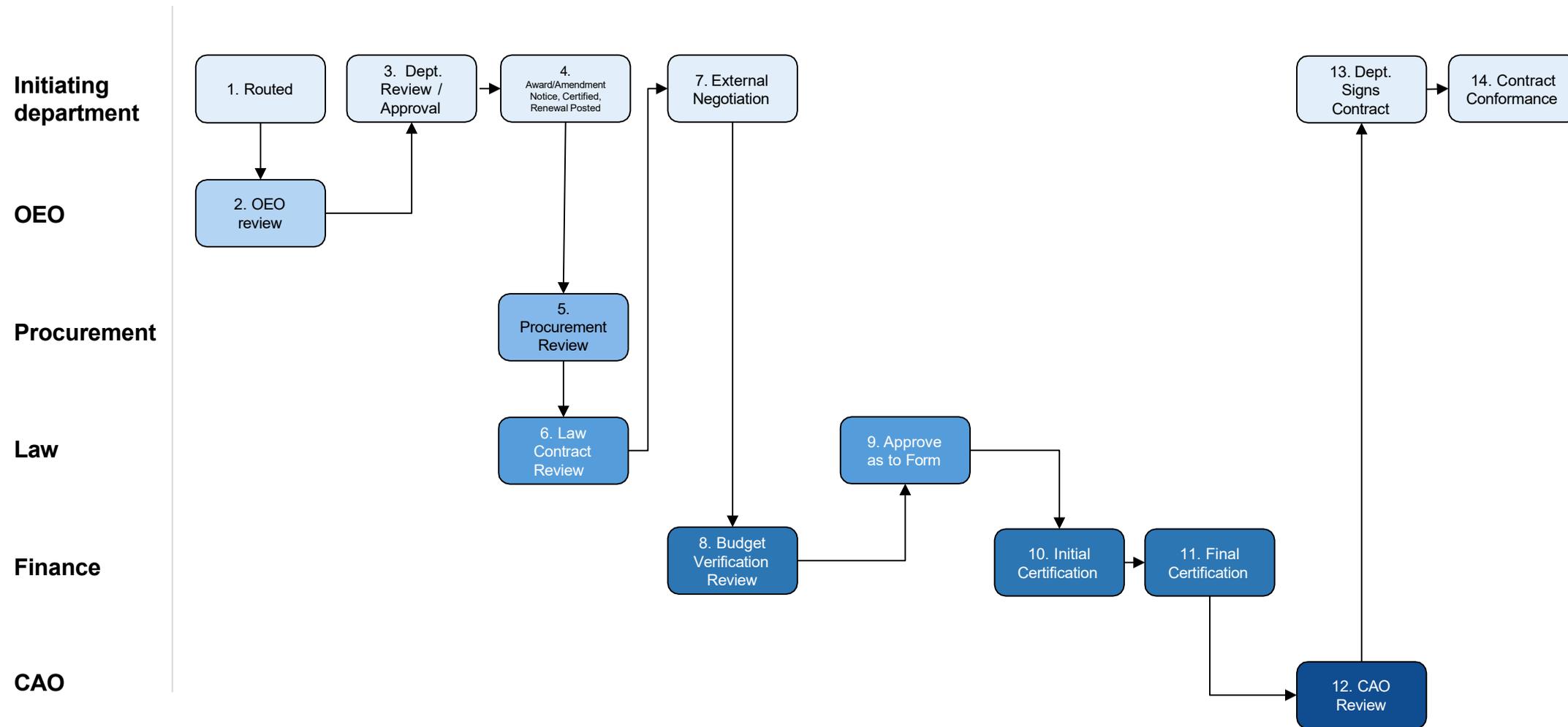
**City of Philadelphia**

### Law draft, advertised workflow

Source: City of Philadelphia ACIS Workflows



## Department draft, advertised workflow



### Median advertised step timeline – Citywide

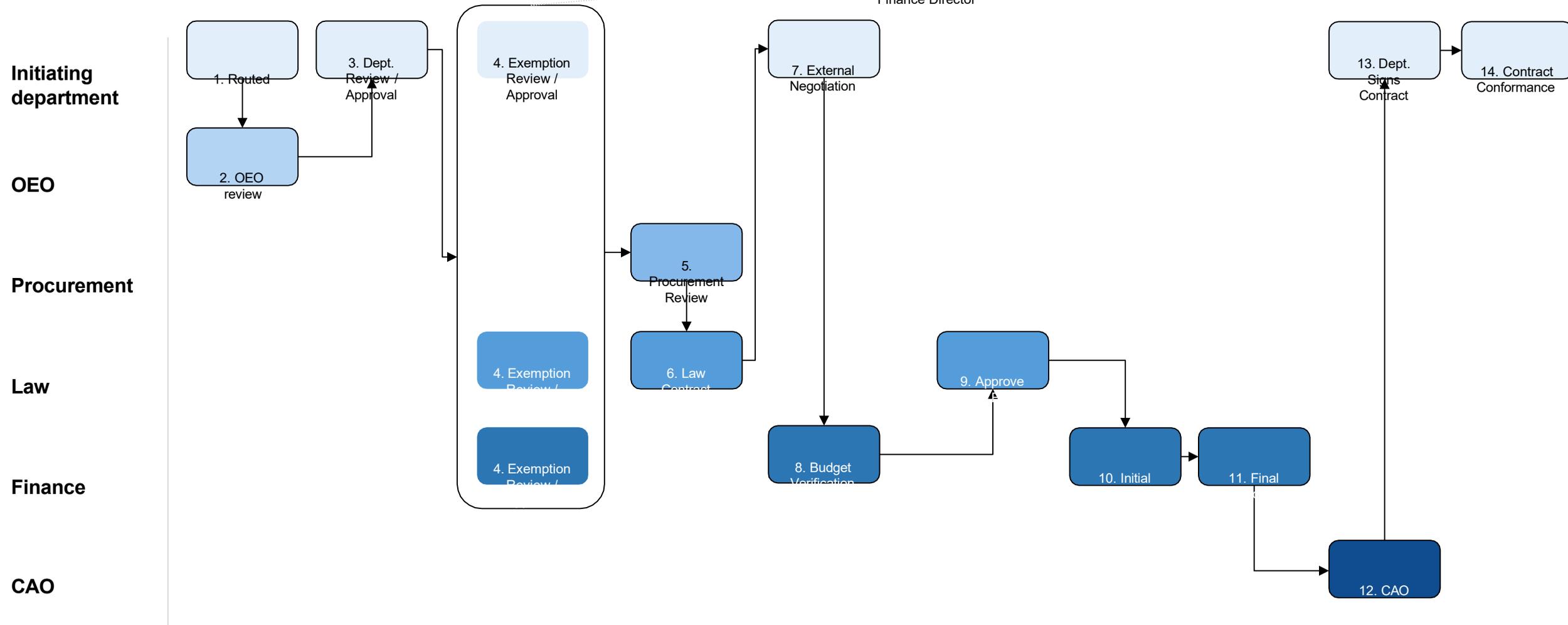
| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | 1           |
| Department review       | 2           |
| Post exempt approval    | 1           |
| Budget verification     | 1           |
| Procurement review      | 3           |
| Law contract assignment | 2           |
| Small contract approval | n/a         |
| Law draft               | 14          |
| Internal negotiation    | 10          |
| Law contract review     | 11          |

| Step                                  | Median days |
|---------------------------------------|-------------|
| Contract assembly                     | 1           |
| External negotiation/signatures       | 14          |
| Approve as to form                    | 5           |
| Initial certification                 | 1           |
| Final certification                   | 1           |
| Finance review                        | 6           |
| Department signature                  | 1           |
| Conformance                           | 2           |
| <b>Total median days across steps</b> | <b>97</b>   |

## Department draft, unadvertised/exempt workflow

Depending on the reason for exemption, the contract/amendment is routed to either the Department Authorized Signer, City Solicitor, or Finance Director

Source: City of Philadelphia ACIS Workflows



### Median exempt step timeline – Citywide

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | 1           |
| Department review       | 1           |
| Post exempt approval    | 1           |
| Budget verification     | 1           |
| Procurement review      | 2           |
| Law contract assignment | 1           |
| Small contract approval | 8           |
| Law draft               | 11          |
| Internal negotiation    | 3           |
| Law contract review     | 5           |

| Step                                  | Median days |
|---------------------------------------|-------------|
| Contract assembly                     | 1           |
| External negotiation/signatures       | 7           |
| Approve as to form                    | 4           |
| Initial certification                 | 2           |
| Final certification                   | 2           |
| Finance review                        | 4           |
| Department signature                  | 1           |
| Conformance                           | 0           |
| <b>Total median days across steps</b> | <b>49</b>   |

### SAA step timeline – Citywide

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | 1           |
| Department review       | 1           |
| Post exempt approval    | 1           |
| Budget verification     | 1           |
| Procurement review      | 2           |
| Law contract assignment | 1           |
| Small contract approval | n/a         |
| Law draft               | 11          |
| Internal negotiation    | 3           |
| Law contract review     | 5           |

| Step                                  | Median days |
|---------------------------------------|-------------|
| Contract assembly                     | 0           |
| External negotiation/signatures       | 6           |
| Approve as to form                    | 4           |
| Initial certification                 | 2           |
| Final certification                   | 1           |
| Finance review                        | 4           |
| Department signature                  | 1           |
| Conformance                           | 0           |
| <b>Total median days across steps</b> | <b>50</b>   |

### SAA step timeline – Law draft

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | 1           |
| Department review       | 1           |
| Post exempt approval    | 1           |
| Budget verification     | 1           |
| Procurement review      | 2           |
| Law contract assignment | 1           |
| Small contract approval | n/a         |
| Law draft               | 11          |
| Internal negotiation    | 3           |
| Contract assembly       | 0           |

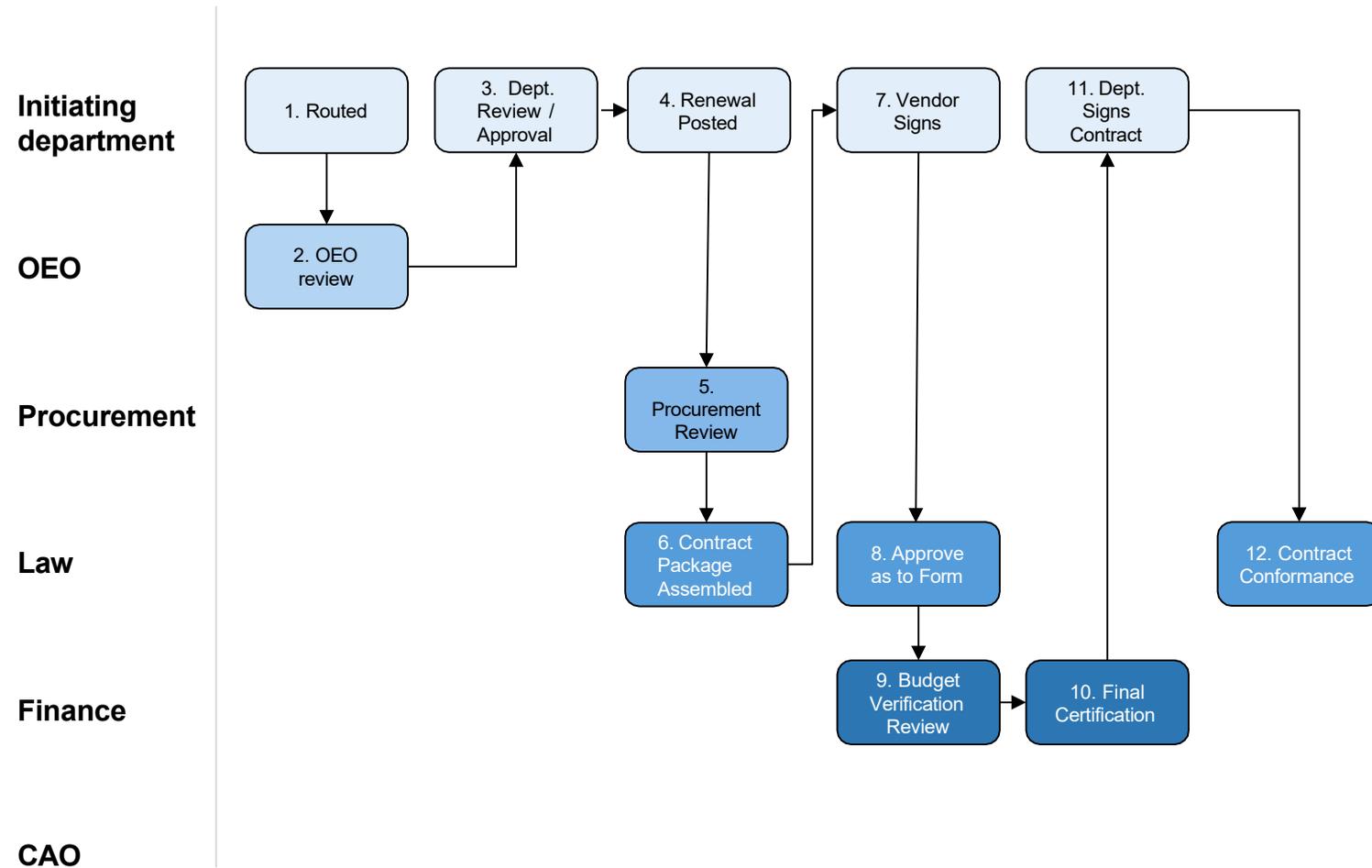
| Step                                  | Median days |
|---------------------------------------|-------------|
| External negotiation/signatures       | 7           |
| Approve as to form                    | 7           |
| Initial certification                 | 2           |
| Final certification                   | 1           |
| Finance review                        | 4           |
| Department signature                  | 1           |
| Conformance                           | 3           |
| <b>Total median days across steps</b> | <b>71</b>   |

### SAA step timeline – Department draft

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | 1           |
| Department review       | 1           |
| Post exempt approval    | 1           |
| Budget verification     | 1           |
| Procurement review      | 2           |
| Law contract review     | 5           |
| Small contract approval | n/a         |
| Contract assembly       | n/a         |
| External negotiation    | 6           |
| Approve as to form      | 2           |

| Step                                  | Median days |
|---------------------------------------|-------------|
| Initial certification                 | 2           |
| Final certification                   | 1           |
| Finance review                        | 3           |
| Department signatures                 | 1           |
| Conformance                           | 0           |
| <b>Total median days across steps</b> | <b>40</b>   |

## Expedited Amendment (XAA) workflow



### XAA step timeline – Citywide

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | 1           |
| Department review       | 2           |
| Post exempt approval    | 1           |
| Budget verification     | 1           |
| Procurement review      | 2           |
| Law contract assignment | n/a         |
| Small contract approval | 6           |
| Law draft               | n/a         |
| Internal negotiation    | n/a         |
| Law contract review     | n/a         |

| Step                                  | Median days |
|---------------------------------------|-------------|
| Contract assembly                     | 1           |
| External negotiation/signatures       | 8           |
| Approve as to form                    | 9           |
| Initial certification                 | n/a         |
| Final certification                   | 3           |
| Finance review                        | n/a         |
| Department signature                  | 1           |
| Conformance                           | 3           |
| <b>Total median days across steps</b> | <b>50</b>   |

### XAA step timeline – Law draft

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | 1           |
| Department review       | 2           |
| Post exempt approval    | 1           |
| Budget verification     | 1           |
| Procurement review      | 2           |
| Law contract assignment | n/a         |
| Small contract approval | 5           |
| Law draft               | n/a         |
| Internal negotiation    | n/a         |
| Contract assembly       | 1           |

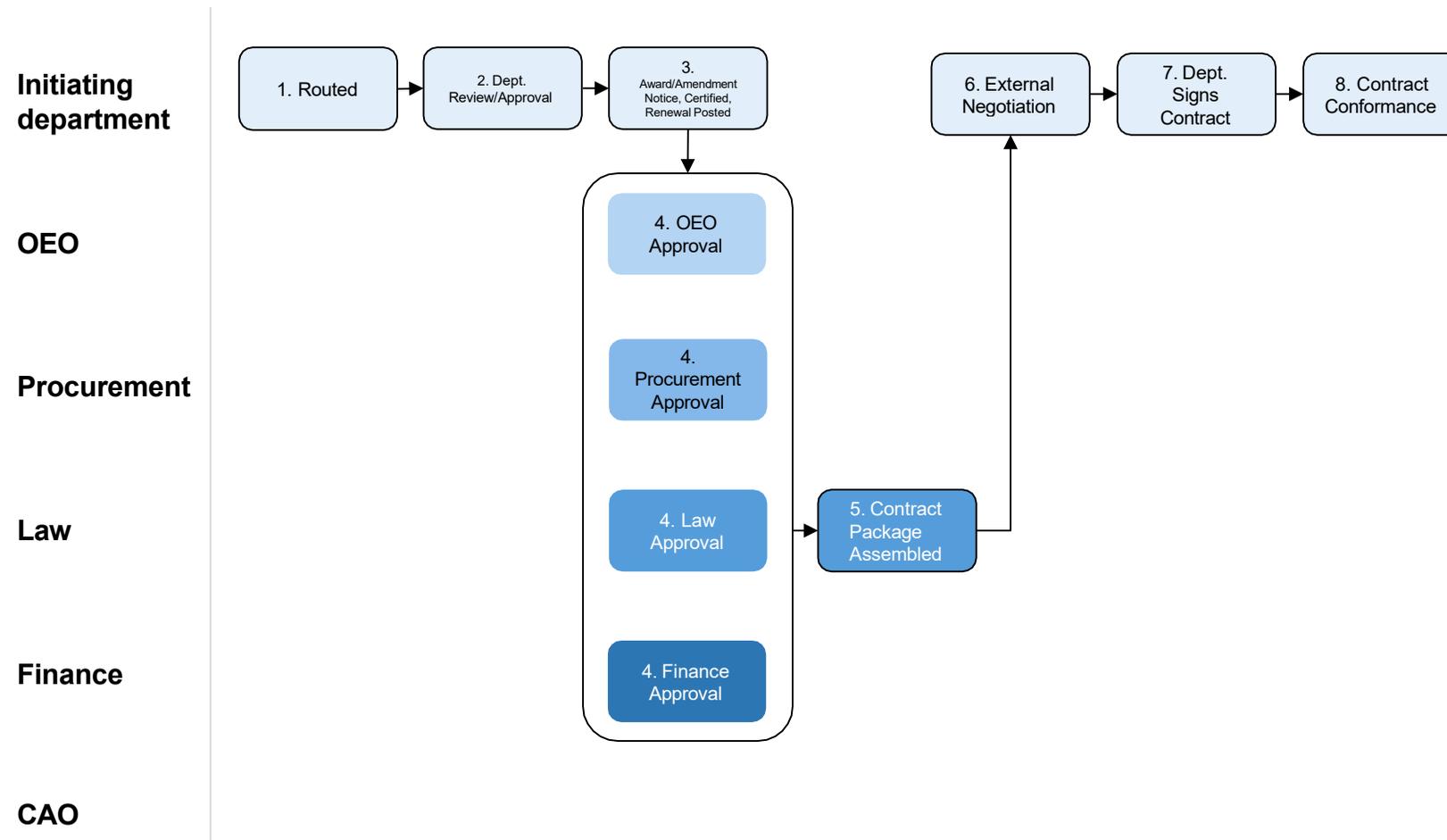
| Step                                  | Median days |
|---------------------------------------|-------------|
| External negotiation/signatures       | 9           |
| Approve as to form                    | 10          |
| Initial certification                 | n/a         |
| Final certification                   | 4           |
| Finance review                        | n/a         |
| Department signature                  | 1           |
| Conformance                           | 4           |
| <b>Total median days across steps</b> | <b>52</b>   |

### XAA step timeline – Department draft

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | 0           |
| Department review       | 2           |
| Post exempt approval    | 1           |
| Budget verification     | 1           |
| Procurement review      | 2           |
| Law contract review     | n/a         |
| Small contract approval | 9           |
| Contract assembly       | 3           |
| External negotiation    | 7           |
| Approve as to form      | 1           |

| Step                                  | Median days |
|---------------------------------------|-------------|
| Initial certification                 | n/a         |
| Final certification                   | 3           |
| Finance review                        | n/a         |
| Department signatures                 | 3           |
| Conformance                           | 0           |
| <b>Total median days across steps</b> | <b>37</b>   |

## Small order purchase (SOP) workflow



Source: Guide to Procurement and Professional Services Purchasing, Version 1.1 [Unpublished]

### SOP step timeline – Citywide

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | n/a         |
| Department review       | 1           |
| Post exempt approval    | 1           |
| Budget verification     | n/a         |
| Procurement review      | n/a         |
| Law contract assignment | n/a         |
| Small contract approval | 8           |
| Law draft               | n/a         |
| Internal negotiation    | n/a         |
| Law contract review     | n/a         |

| Step                                  | Median days |
|---------------------------------------|-------------|
| Contract assembly                     | 1           |
| External negotiation/signatures       | 8.5         |
| Approve as to form                    | n/a         |
| Initial certification                 | n/a         |
| Final certification                   | n/a         |
| Finance review                        | n/a         |
| Department signature                  | 0           |
| Conformance                           | 0           |
| <b>Total median days across steps</b> | <b>28</b>   |

### SOP step timeline – Law draft

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | n/a         |
| Department review       | 1           |
| Post exempt approval    | 1           |
| Budget verification     | n/a         |
| Procurement review      | n/a         |
| Law contract assignment | n/a         |
| Small contract approval | 7           |
| Law draft               | n/a         |
| Internal negotiation    | n/a         |
| Contract assembly       | 1           |

| Step                                  | Median days |
|---------------------------------------|-------------|
| External negotiation/signatures       | 11          |
| Approve as to form                    | n/a         |
| Initial certification                 | n/a         |
| Final certification                   | n/a         |
| Finance review                        | n/a         |
| Department signature                  | 0           |
| Conformance                           | 0           |
| <b>Total median days across steps</b> | <b>27</b>   |

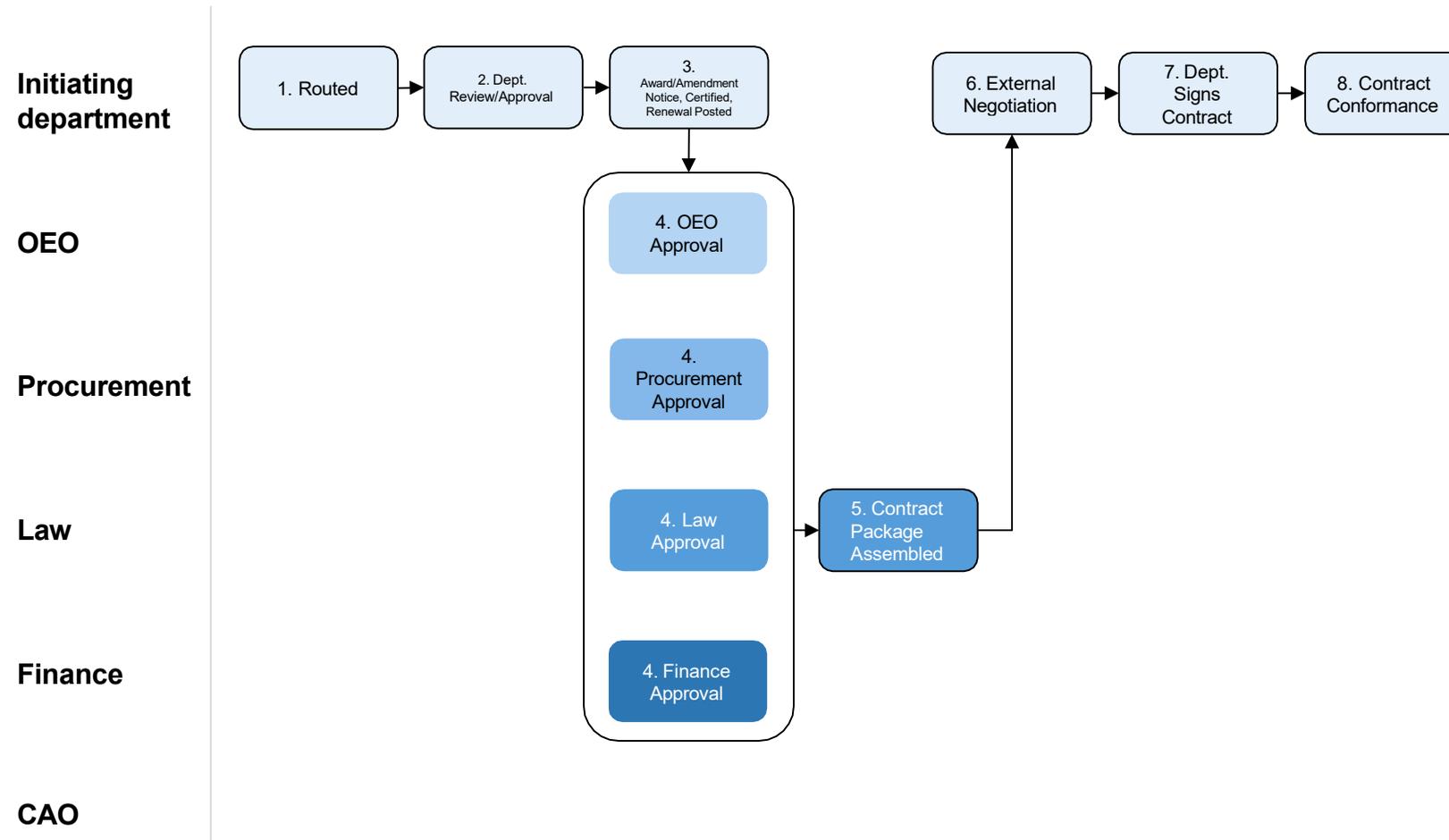
**SOP step timeline – Department draft**

| Step                    | Median days |
|-------------------------|-------------|
| OEO review              | n/a         |
| Department review       | 1           |
| Post exempt approval    | 1           |
| Budget verification     | n/a         |
| Procurement review      | n/a         |
| Law contract review     | n/a         |
| Small contract approval | 9           |
| Contract assembly       | 1           |
| External negotiation    | 6           |
| Approve as to form      | n/a         |

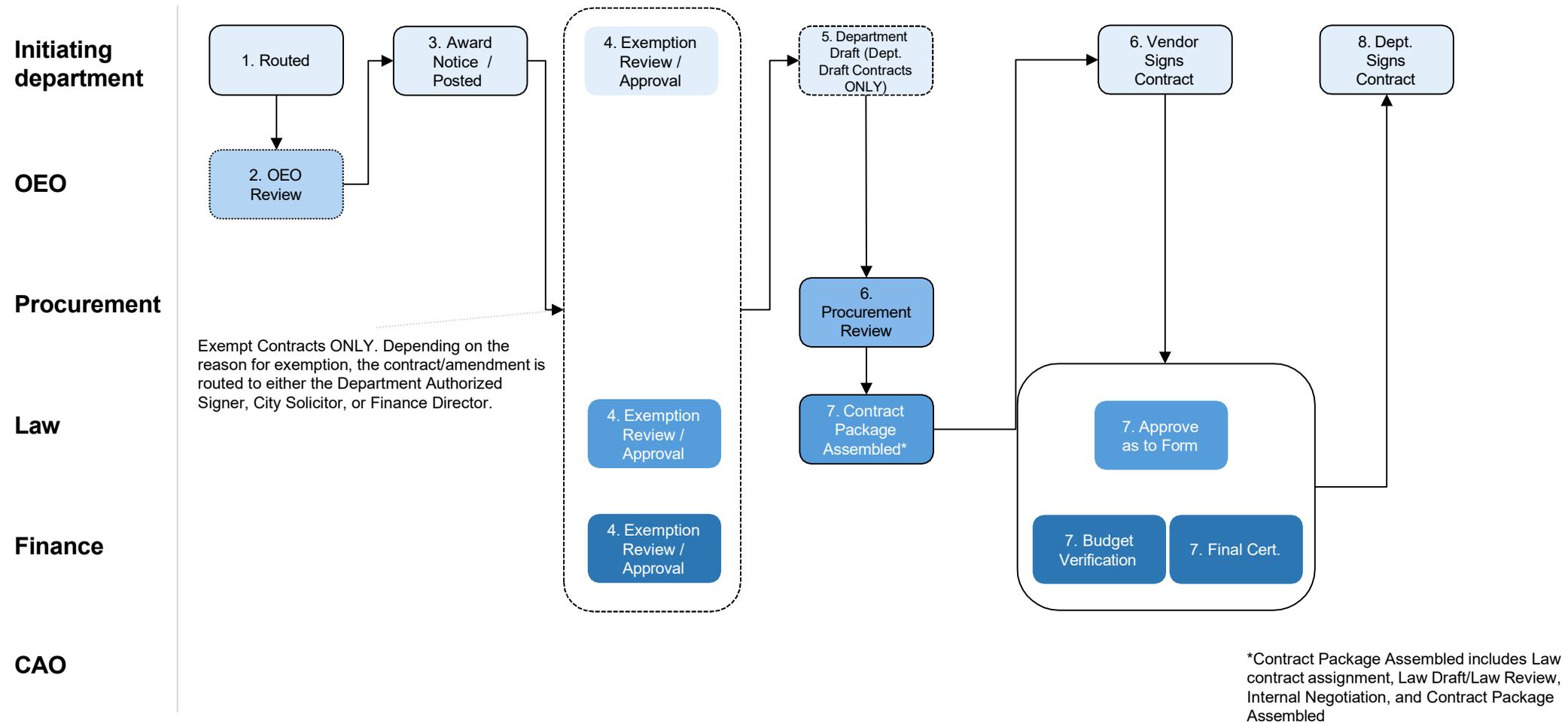
| Step                                  | Median days |
|---------------------------------------|-------------|
| Initial certification                 | n/a         |
| Final certification                   | n/a         |
| Finance review                        | n/a         |
| Department signatures                 | 0           |
| Conformance                           | 0           |
| <b>Total median days across steps</b> | <b>30</b>   |

## Micro purchase (MP) workflow (identical to SOP)

Source: Guide to Procurement and Professional Services Purchasing, Version 1.1 Unpublished



## Recommended standard conformance process (for new contracts)



## **Appendix E: Model resources**

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### **City of Philadelphia**

## Recommendation 14: Establish and publish conformance timelines for different contracting processes

To the right is the U.S. Department of Interior’s “Procurement Milestones Table” which shows estimated days needed for the key steps in the process.

As a reminder to vendors that a timely process requires they submit correct and timely records responsive to requests, the Department of Interior notes clearly at the top: “The timelines do not apply until your entire package is prepped and fully submitted.”

### Procurement Milestones Table



The Procurement Milestones Table below is based on the submission of a completed package. The timelines do not apply until your entire package is prepped and fully submitted.

Procurement Milestones Table:

| Project Milestones:  | <\$25M<br>Days<br>Needed: | ≥\$25<br><\$50M<br>Days<br>Needed: | ≥\$50M<br>Days<br>Needed: |
|--|---------------------------|------------------------------------|---------------------------|
| Requirement Received   | 0                         | 0                                  | 0                         |
| Market Research Documentation Completed  | 7                         | 7                                  | 7                         |
| Develop J&A, Acquisition Plan & RFO Approval   | 21                        | 21                                 | 21                        |
| J&A, Acquisition Plan, and RFQ Approval  | 25                        | 38                                 | 66                        |
| RFQ Issues   | 7                         | 7                                  | 7                         |
| Vendor Questions Due   | 14                        | 14                                 | 14                        |
| Technical Team Response to Vendor Questions Due to AQD                                     | 3                         | 3                                  | 3                         |
| Government Response to Vendor Questions and RFQ Amendment (if necessary) Issues to Vendors | 2                         | 2                                  | 2                         |
| RFQ Closed and Offers Received   | 14                        | 14                                 | 14                        |
| TEP Vendor Clarification Questions to AQD  | 5                         | 5                                  | 5                         |
| Vendor Clarification Questions to Vendors  | 2                         | 2                                  | 2                         |
| Vendor Clarification Responses to AQD  | 5                         | 5                                  | 5                         |
| Technical Evaluations Completed  | 14                        | 14                                 | 14                        |
| Cost/Price Analysis Completed  | 7                         | 7                                  | 7                         |
| Discussions/Negotiations, If Necessary   | 21                        | 21                                 | 21                        |

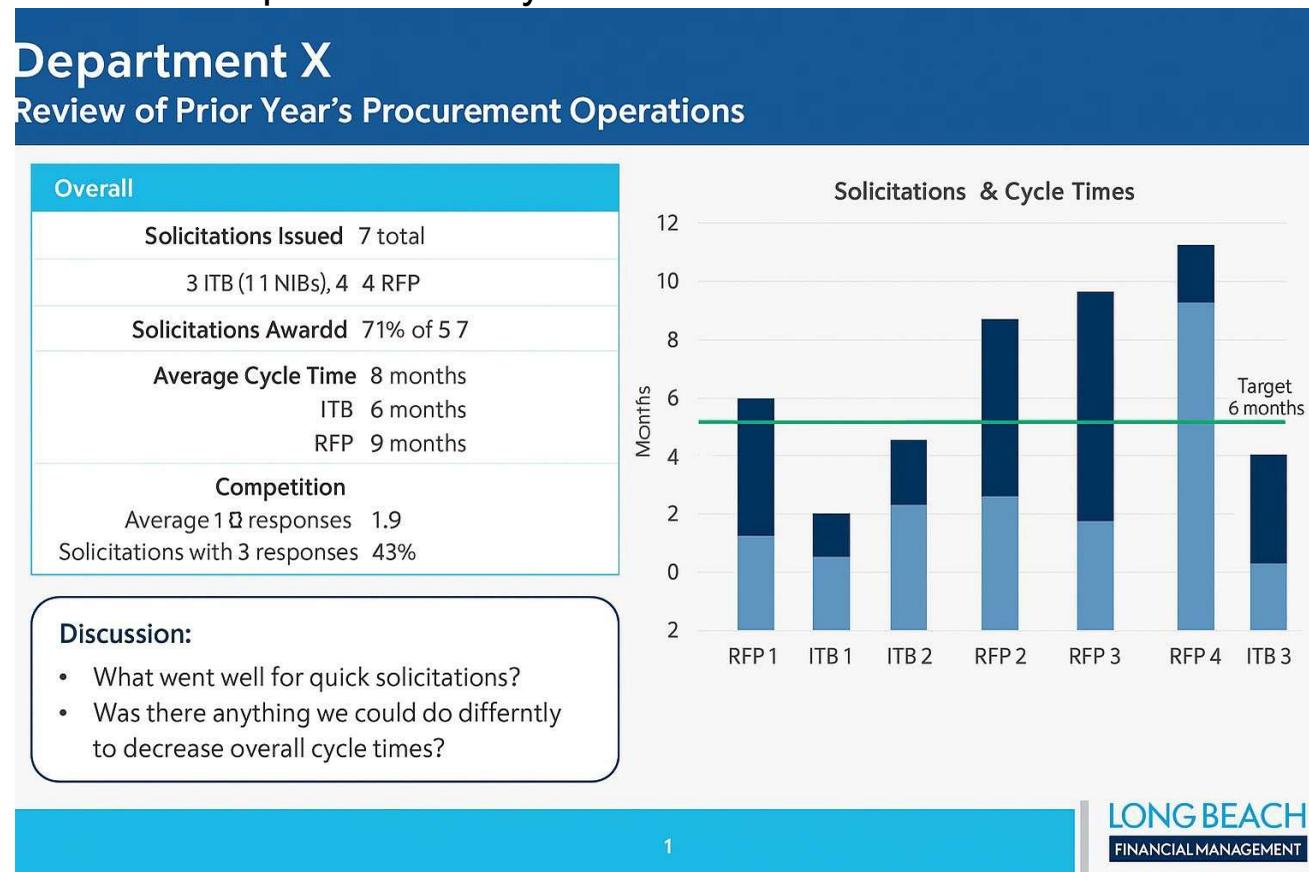
**Recommendation 15: Develop progress-tracking dashboards for City leaders, department conformance and fiscal staff, and Procurement**

Below, we include a sample dashboard to clearly track progress to conformance across departments, using the context of a crunch of Q1 contracts as an example scenario. This level of detail is digestible for non-Procurement City leaders and actionable for procurement focused staff.

| Department | Total FY26 Q1 contracts planned (#) | Contracts routed |              |                              |          | Contracts conformed |                 |   |             | Status  |
|------------|-------------------------------------|------------------|--------------|------------------------------|----------|---------------------|-----------------|---|-------------|---|
|            |                                     | Routed last week | Total routed | Remaining contracts to route | % routed | Conformed last week | Total conformed | Remaining routed contracts to conform (#) | % conformed |   |
| DBHIDS     | 37                                  | N/A              | 2            | 35                           | 5%       | N/A                 | 0               | 37  | 0%          |   |
| DHS        | 263                                 | N/A              | 0            | 263                          | 0%       | N/A                 | 0               | 263                                       | 0%          |  |
| OHS        | 91                                  | N/A              | 0            | 91                           | 0%       | N/A                 | 0               | 91  | 0%          |  |
| PDPH       | 143                                 | N/A              | 3            | 140                          | 2%       | N/A                 | 0               | 143                                       | 0%          |  |
| MDO        | 44                                  | N/A              | 3            | 41                           | 7%       | N/A                 | 0               | 44  | 0%          |  |
| Total      |                                     |                  |              |                              |          |                     |                 |   |             |   |

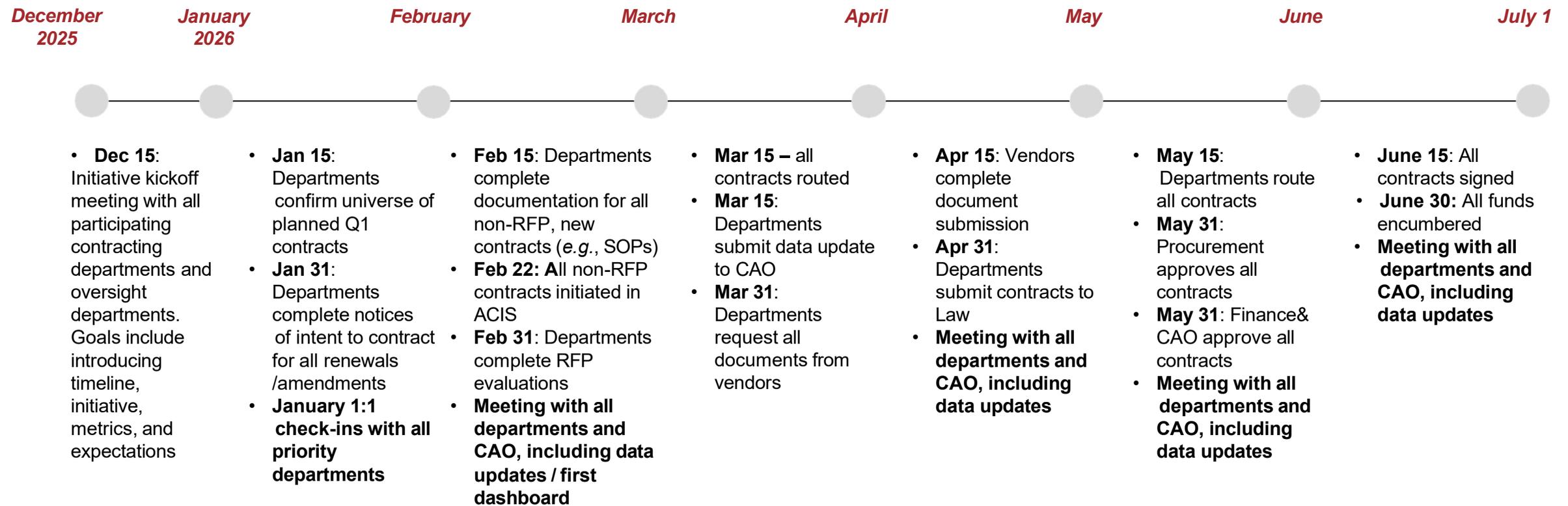
## Recommendation 15: Develop progress-tracking dashboards for City leaders, department conformance and fiscal staff, and Procurement

Below, we include a sample dashboard from Partners for Public Good’s report on “Using Data to Improve Procurement Operations and Outcomes.” The report notes that the City of Long Beach’s central procurement office and each contracting department meet annually to discuss trends from the data, including how long the procurement process took, and identify opportunities for improvement in year ahead.



## Recommendation 18a: Provide a standardized approach and coordinate approvals for Q1 contracts

Below, we include a sample timeline of an initiative to support the conformance of Q1 contracts. NOTE – This timeline is solely an example of the types of contracting deadlines, meeting dates, and 1:1 check-ins that the City would consider in designing this initiative. This initiative would build on and formalize work that the CAO’s office led for FY26.



## Recommendation 23a: Develop a detailed, accessible vendor-facing page with key information about pending contracts

Below, we include a screenshot from the [NYC PASSPort Public procurement portal](#), which includes information about which step in the procurement process a contract is in, among other descriptive information (most of which is currently on eContractPhilly). The drop-down menu for “Status” shows the various steps reported. “ACCO” is equivalent to Department head approval in Philadelphia, “MOCS” is equivalent to Procurement Department approval, and “Registered” is conformed.

Public Portal: Browse Contracts

Last Refreshed Date:09/02/2025

The screenshot shows a search interface with the following fields: Keywords, EPIN, Contract ID, Agency, Vendor Name (Bennett Midland), Procurement Method, Status, Industry, Certification Type, and Corporate Structure. Below the search fields is a 'Download Data' button and a 'Show 10 entries' dropdown. The main table displays contract details with columns for EPIN, Contract ID, Vendor, Program, Procurement Method, Contract Type, Status, Award Amount, Current Contract Amount, and Total Encumbered Amount. A status dropdown menu is open over the 'Status' column, listing the following options: Draft, General Contract (CT1), General Contract Revision (CTR), In Progress, Pending Comptroller Approval, Pending ACCO Approval, Pending MOCS Approval, Pending Oversight Approval, Pending Registration Package Compilation, Registered, and Terminated.

| EPIN              | Contract ID         | Vendor              | Program             | Procurement Method               | Contract Type                   | Status      | Award Amount | Current Contract Amount | Total Encumbered Amount |
|-------------------|---------------------|---------------------|---------------------|----------------------------------|---------------------------------|-------------|--------------|-------------------------|-------------------------|
| 06824N0018001A001 | CT1-068-20258804157 | BENNETT MIDLAND     | Policy and Planning | Amendment                        | General Contract Revision (CTR) | In Progress | \$83,000.00  | \$83,000.00             | \$274,967.36            |
| 06824N0018001     | CT1-068-20258804157 | BENNETT MIDLAND LLC | Policy and Planning | Negotiated Acquisition Extension | General Contract (CT1)          | Registered  | \$300,000.00 | \$300,000.00            | \$274,967.36            |
| 06818P8230KXLA004 | CT1-068-20211415948 | BENNETT MIDLAND     | Policy and Planning | Amendment                        | General Contract Revision       | Registered  |              | \$85,000.00             | \$1,659,089.94          |

**Appendix F: Bennett Midland staffing survey administered to conformance staff, Summer 2025**

Thank you for taking the time to complete this survey. The City, under the leadership of the CAO, has prioritized Professional Services procurement reform to ensure timely contract conformance and provider payments.

The purpose of this survey is to gather information about Professional Services contract conformance staffing capacity, measure the staff-to-contract-volume ratio across agencies, and identify departmental needs to manage the City’s conformance work. Through this survey, we aim to understand each department’s capacity for managing the contracting process.

We ask that each department make only one submission, to ensure that information is accurate and complete.

1. Title
2. Please enter the total number of dedicated staff in your department that work with **professional services contracts**.
3. On average, how many **professional services** contracts does this team handle in a given year?
4. Name and title of staff person 1
5. Please select the primary responsibilities for staff person 1 from the list below (check all that apply)

- RFP drafting and/or publishing
- Coordination for OEO review
- Department review
- Coordination for Law review
- Coordination for Procurement review
- Budget planning and updating encumbrances
- Coordination for Initial/Final certification
- Assembling the legal document
- Vendor negotiation / Coordinating signatures
- Finance / payment / invoicing
- Other (please specify)

*[Option to add up to ten total team members]*

6. If you have more staff than there are options listed above, please use the space

below listing their names, titles, and duties using the choices above.

7. Do you anticipate an increase in the volume of your work in the next fiscal year (*e.g.*, a surge in your department's contracting needs, the removal of the nonprofit exemption, insufficient capacity due to staff being out-of-office, *etc.*)?
  - a. Yes
  - b. No
  - c. Unsure
  
8. Do you have sufficient staff to conform contracts on time (prior to the contract start dates)?
  - a. Yes
  - b. No
  - c. Unsure
  
9. Please use the space below to elaborate on your response to the previous question.
  
10. Do you have sufficient staff to pay invoices on time (within 30-60 days of vendor submission)?
  - a. Yes
  - b. No
  - c. Unsure
  
11. Please use the space below to elaborate on your response to the previous question.
  
12. Do the vendors you work with use the Vendor Payment Portal?
  - a. Yes, most of them
  - b. Only some of them
  - c. Not many of them
  - d. None of them
  - e. Not sure
  
13. Please use the space below to elaborate on the answer above regarding the Vendor Payment Portal, if desired.
  
14. Do you have any current vacancies in your department contracting team?
  - a. Yes
  - b. No
  - c. Unsure
  
15. If yes, please list with role(s) your department is currently hiring for and how long the position has been open for (you may link the job descriptions here).

16. If it has taken longer than planned to fill in this vacancy, please specify why you think it has been challenging to get the positions filled (*e.g.*, compensation not being commensurate with role expectations, requirements are too specialized, *etc.*).
17. Is there anything else you'd like to share about how your current staffing structure impacts conformance and payment timelines for Professional Services contracts?

**Appendix G: Analysis of timely conformance and staff capacity for professional services contracts; released August 26, 2025**

As a final step in our research and data analysis on Philadelphia’s conformance process for professional services contracts, Bennett Midland analyzed the ACIS Conformed Item History Report and the Conformance Performance Report. We reviewed data from between FY20 and January of FY25 to understand the City’s contract load, median contract timeline, and rate of on-time conformance by department. We supplemented this research with a staffing survey to gather information about professional services conformance capacity, and to support the City in identifying opportunities where departments’ contracting capacity can be enhanced.

In the document below, we surface findings that seek to:

- Describe the correlation between key indicators of conformance performance (*i.e.*, percentage of contracts conformed on time and median days to conformance) and staffing levels by department;
- Identify which departments are regularly conforming contracts on time and within shorter timelines, and might serve as a model for best practices; and
- Understand which departments are struggling to conform contracts on time and have longer overall conformance timelines, and might benefit from additional resources or support.

Overall, we did not find a connection between delays in conformance and staffing shortages across departments. Actual staffing levels, departments’ perceptions of whether they have sufficient contract staff, and the ratio of staff to professional services contracts do not appear to be meaningfully connected to key indicators of conformance performance by department. This indicates that, consistent with our prior findings and recommendations, the primary drivers of delayed conformance are the overwhelming volume of contracts and a lack of effective routines to manage this volume through the conformance process.

The wide variance across departments in key performance indicators suggests that departments are relying on different routines to plan for and advance their contracts through the conformance process. For example, we know from our interviews that some departments will not route contracts until they have received all necessary documentation from providers. Holding off on routing until vendors share complete information may contribute to shorter conformance timelines—for example, DHS’s below-City average median timeline to conformance of 37 days. However, routing too close to or after the contract start date is a significant contributor to late conformance (for example, only 39% of FY24 contracts were routed prior to contract start, ensuring late conformance). On the other hand, a department like Water, with which

we did not speak, has a relatively high on-time conformance percentage (28%), but a longer median timeline to conformance (83 days), indicating they may begin routing sooner.

Moving forward, there is more work for the City to do to identify why departments with strong performance indicators are experiencing the successes that they are—routines, staff, relationships with vendor partners, distribution of specific contract types, *etc.*—and work to formalize and spread successful models as best practices throughout the contracting system.

*Summary table*

The following table illustrates the total and average contracts by department, along with the percentage of contracts conformed on time and the median days taken to conform a contract. The number of staff listed is a point-in-time capture of staffing capacity as of May 2025, as reported by departments responsive to the CAO’s survey.

We received 26 responses from 21 departments to our staffing survey and requested that a single staff member with the best visibility into specific team functions and capacity complete the survey for their department. In two cases, OHS and MDO, we received multiple responses.

- **OHS:** A representative from both the OHS Contract unit and another from the OHS Fiscal unit completed the survey. To identify an accurate count of staff, we counted each individual staff member that both respondents named once. We relied on the response from the Contract unit to determine if OHS has sufficient staff to conform contracts on time and from the Fiscal unit to determine if OHS has sufficient staff to pay contracts on time.
- **MDO:** We received survey responses from the MDO Administrative Unit and two small offices that report to MDO (the Mayor’s Commission on Aging and the Office of Domestic Violence Strategies). These three offices do not appear on ACIS reports, as they are likely subsets of the full MDO portfolio, and, as such, are not fully included in the analysis below. Their survey responses include:
  - o The MDO Administrative Unit self-reported an average of 50-75 professional services contracts annually with one dedicated staff member.
  - o The Office of Domestic Violence Strategies reported seven professional services contracts annually with one staff member dedicated. The Mayor’s Commission on Aging reported one or two professional services contracts annually and zero staff.

The most common title from which we received responses was “Contract Administrator,” although we also received responses from directors, deputy directors, budget officers, fiscal officers, and managers. The survey asked respondents to share the approximate number of

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annual contracts their team processes in a given year, the number of contracting staff in their teams, the names and titles of each staff member involved in the conformance process, and whether their team perceives that it has sufficient staff to conform and pay contracts on time. Importantly, because the survey records the *perceived* department capacity, we recognize that there may be a selection bias, and the outcomes may not necessarily represent the views of the day-to-day contracting staff of an entire department.

In nearly all cases, we have included the number of staff reported by each department in response to the survey operating in a conformance management capacity (*i.e.*, we did not request information for staff members operating in oversight departments in oversight roles, such as Legal Assistants or Staff Attorneys in Law). In the case of Water, however, the respondent included staff involved in the conformance process across other departments, totally 20. Rather than count all 20, we counted exclusively the four Water-specific staff members.

**NB:** We have included departments that responded to the staffing survey in the rows above the solid line break, and departments that did not respond to the staffing survey below the solid line break. For each section, departments are listed in descending order of the total number of professional services contracts conformed between FY20 and January of FY25. We present timely conformance rates and median timelines for all 46 departments represented in the Item History data to allow the City to review their overarching performance, identify flags, and conduct follow-ups to better understand if staffing is a determinant of their timeliness.

| Department                        | Total number of contracts (FY20 – January FY25) | Average annual number of contracts (FY20 – January FY25) | % conformed on time across total (FY20 – January FY25) | Median days to conformance across all contract types (FY20 – January 2025) | Staff (May 2025) | Staff to average annual contract ratio |
|-----------------------------------|---|--|--|--|------------------|--|
| Human Services                    | 1,941   | 353  | 1%   | 37   | 15               | 1:24                                   |
| Public Health                     | 1,682   | 305  | 3%   | 50   | 13               | 1:23                                   |
| Commerce                          | 1,112   | 202  | 24%  | 42   | 12               | 1:17                                   |
| Office of Homeless Services (OHS) | 1,084   | 197  | 1%   | 39   | 5                | 1:22                                   |
| Water                             | 981   | 178  | 28%  | 83   | 4                | 1:45                                   |
| Planning and Development, DHCD    | 637   | 116  | 1%   | 43   | 7                | 1:17                                   |
| Law                               | 581   | 106  | 14%  | 72   | 2                | 1:53                                   |

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| <b>Department</b>   | <b>Total number of contracts (FY20 – January FY25)</b> | <b>Average annual number of contracts (FY20 – January FY25)</b> | <b>% conformed on time across total (FY20 – January FY25)</b> | <b>Median days to conformance across all contract types (FY20 – January 2025)</b> | <b>Staff (May 2025)</b> | <b>Staff to average annual contract ratio</b> |
|---|--|---|---|---|-------------------------|---|
| Office of Innovation and Technology   | 390  | 71  | 24%   | 56  | 3                       | 1:24  |
| Department of Behavioral Health and Intellectual Disability Services (DBHIDS) | 352  | 64  | 0%  | 61  | 3                       | 1:21  |
| Chief Treasurer’s Office  | 323  | 59  | 37%   | 66  | 2                       | 1:30  |
| Philadelphia Department of Prisons  | 202  | 37  | 8%  | 49  | 2                       | 1:19  |
| Finance, Executive Direction/ASC  | 190  | 35  | 7%  | 64  | 4                       | 1:9   |
| Office of Community Empowerment and Opportunity                               | 177  | 32  | 0%  | 64  | 4                       | 1:8   |
| Board of Pensions and Retirement  | 165  | 30  | 18%   | 76  | 3                       | 1:10  |
| District Attorney, Finance  | 138  | 25  | 3%  | 64  | 4                       | 1:6   |
| Revenue, Budget and Fiscal  | 109  | 20  | 10%   | 110   | 6                       | 1:3   |
| Licenses and Inspections  | 70   | 13  | 16%   | 63  | 4                       | 1:3   |
| CAO’s Office  | 46   | 8   | 9%  | 52  | 1                       | 1:8   |
| Office of Property Assessment   | 45   | 8   | 7%  | 92  | 3                       | 1:3   |

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| <b>Department</b>                                     | <b>Total number of contracts (FY20 – January FY25)</b> | <b>Average annual number of contracts (FY20 – January FY25)</b> | <b>% conformed on time across total (FY20 – January FY25)</b> | <b>Median days to conformance across all contract types (FY20 – January 2025)</b> | <b>Staff (May 2025)</b> | <b>Staff to average annual contract ratio</b> |
|---|--|---|---|---|-------------------------|---|
| Records Department, Administration                    | 37   | 7   | 5%  | 68  | 3                       | 1:2   |
| Department of Fleet Services, Budget Unit             | 17   | 3   | 24%   | 21  | 1                       | 1:1   |
| Managing Director’s Office (MDO), Administrative Unit | N/A  | N/A   | N/A   | N/A   | 1                       | N/A   |
| Office of Domestic Violence Strategies                | N/A  | N/A   | N/A   | N/A   | 1                       | N/A   |
| Sanitation  | N/A  | N/A   | N/A   | N/A   | 2                       | N/A   |
| MDO, Mayor’s Commission on Aging                      | N/A  | N/A   | N/A   | N/A   | 0                       | N/A   |
| Parks and Recreation                                  | 310  | 56  | 21%   | 45  |                         |   |
| Streets   | 269  | 49  | 29%   | 68  |                         |   |
| Police  | 190  | 35  | 12%   | 70  |                         |   |
| Public Property                                       | 194  | 35  | 10%   | 70  |                         |   |
| Personnel   | 107  | 20  | 7%  | 89  |                         |   |
| Fire  | 92   | 17  | 17%   | 79  |                         |   |
| Mayor’s Office of Sustainability                      | 74   | 14  | 19%   | 60  |                         |   |
| City Council  | 65   | 12  | 17%   | 27  |                         |   |
| Aviation  | 47   | 9   | 19%   | 35  |                         |   |
| Sinking Fund Commission                               | 44   | 8   | 0%  | 164   |                         |   |

| Department                         | Total number of contracts (FY20 – January FY25) | Average annual number of contracts (FY20 – January FY25) | % conformed on time across total (FY20 – January FY25) | Median days to conformance across all contract types (FY20 – January 2025) | Staff (May 2025) | Staff to average annual contract ratio |
|------------------------------------|---|--|--|--|------------------|--|
| Free Library                       | 43  | 8  | 21%  | 63   |                  |  |
| City Controller’s Office           | 40  | 7  | 0%   | 59   |                  |  |
| Mayor’s Office                     | 38  | 7  | 0%   | 62   |                  |  |
| Office of Arts & Culture           | 23  | 4  | 13%  | 89   |                  |  |
| Water, Sewer, & Stormwater Board   | 19  | 4  | 11%  | 70   |                  |  |
| Mayor’s Office (Community Schools) | 14  | 3  | 0%   | 57   |                  |  |
| Sheriff                            | 11  | 2  | 9%   | 64   |                  |  |
| Office of the Inspector General    | 8   | 2  | 38%  | 55   |                  |  |
| Procurement                        | 5   | 1  | 20%  | 83   |                  |  |
| Civil Service Commission           | 5   | 1  | 0%   | 86   |                  |  |
| City Commissioners                 | 3   | 0.6  | 0%   | 49   |                  |  |
| City Representative                | 2   | 0.4  | 0%   | 39   |                  |  |
| Mayor’s Office of Labor            | 2   | 0.4  | 0%   | 159  |                  |  |
| Board of Ethics                    | 1   | 0.2  | 0%   | 72   |                  |  |
| <b>Citywide</b>                    | <b>12,481</b>                                   | <b>2,269</b>   | <b>10%</b>   | <b>52</b>  |                  |  |

**Takeaways**

*Takeaway 1: Across the 46 departments in the Item History report, there is a wide range in the average number of professional services contracts conformed annually—ranging from 353 for Human Services to less than 1 for the Board of Ethics. Among the eight departments with the greatest number of annual average professional services contracts, five (63%) are concentrated in the human services sector.*

Our analysis shows that departments vary widely in terms of average annual professional services contracts conformed, indicating differential staffing needs that correspond to their workload. Notably, the Department of Human Services and the Department of Public Health stand out as departments with the highest volume of contracts, conforming on average at least 100 more contracts per year than other high-volume departments.

Additionally, five of the seven departments with the highest contract volume (500+ total contracts across FY20 – January of FY25) work primarily in the human services sector.

| <b>Department</b>              | <b>Average annual number of contracts (FY20 – January FY25)</b> |
|--------------------------------|---|
| Human Services                 | 353   |
| Public Health                  | 306   |
| Commerce                       | 202   |
| OHS                            | 197   |
| Water                          | 178   |
| Planning and Development, DHCD | 116   |
| Law                            | 106   |

*Takeaway 2: 78% (n=36) of the 46 departments in the Conformed Item History report conformed 80% or more of their contracts after the start date. Only 22% (n=10) of the departments conformed at least 20% of contracts prior to the start date and they vary in their total contract load.*

The table below lists the ten departments that conformed at least 20% of the total number of professional services contracts between FY20 and January of FY25 on time (ordered by percentage of contracts conformed on time). As described below, four of the ten departments had

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a low number of total professional services contracts (under 50 total) across the five and a half years of data analyzed. In particular, nearly half of the Office of Fleet Management and Free Library’s contracts were micro or small order purchase contracts (47% and 44% of the total number of contracts respectively).

| Department                      | Total number of contracts (FY20 – January FY25) | Number of contracts conformed on time across total (FY20 – January FY25) | % conformed on time across total (FY20 – January FY25) |
|---------------------------------|---|--|--|
| Office of the Inspector General | 8   | 3  | 38%  |
| City Treasurer                  | 323   | 120  | 37%  |
| Streets                         | 269   | 79   | 29%  |
| Water                           | 981   | 273  | 28%  |
| Commerce                        | 1,112   | 266  | 24%  |
| OIT                             | 390   | 93   | 24%  |
| Office of Fleet Management      | 17  | 4  | 24%  |
| Parks and Recreation            | 310   | 65   | 21%  |
| Free Library                    | 43  | 9  | 21%  |
| Procurement                     | 5   | 1  | 20%  |

*Takeaway 3: Across all contract types, median conformance timelines ranged from 21 to 164 days across FY20 - January of FY25 for the 46 departments reviewed. The median citywide timeline is 52 days across all contract types. The top eight departments with the highest contract volume over the years are able to conform contracts well within the City’s FY26 goal of conformance within 85 days.*

While median conformance timelines vary widely among departments overall, we selected the top seven high-volume departments for this analysis to check for correlations between departments’ contract volume and conformance timelines. As depicted in the tables below, all high-volume departments had median conformance timelines within the City’s goal of 85 days. Additionally, our analysis reveals that departments with the highest contract volume (1,000+ across the years) conformed contracts within a median of 37 to 50 days, indicating strong routine processes that may offset the time spent on processing a larger number of contracts.

Despite Public Health falling within the departments with slower conformance timelines for high-volume departments, we believe that a 50-day conformance time is strong given their contract load. While “quick” conformance does not necessarily equate to “timely” conformance, this is an opportunity—in line with our recommendation on developing a culture of collaboration in the City—to scale practices and introduce process efficiencies from high-volume departments with faster timelines to other departments.

High-volume departments with the fastest conformance timelines

| <b>Department</b>      | <b>Total number of contracts (FY20 – January FY25)</b> | <b>Median days to conformance across all contract types (FY20 – January 2025)</b> |
|------------------------|--|---|
| Human Services         | 1,941  | 37  |
| OHS                    | 1,084  | 39  |
| Commerce               | 1,112  | 42  |
| Planning & Development | 637  | 43  |

High-volume departments with the slowest conformance timelines

| <b>Department</b> | <b>Total number of contracts (FY20 – January FY25)</b> | <b>Median days to conformance across all contract types (FY20 – January 2025)</b> |
|-------------------|--|---|
| Water             | 981  | 83  |
| Law               | 581  | 72  |
| Public Health     | 1,682  | 50  |

*Takeaway 4: The ratio of conformance staff to number of professional services contracts varies widely, from one staff member for one professional services contract to one staff member for 53 professional services contracts.*

High volume departments, especially those with low staff to contract ratios, may benefit more from additional staffing and resourcing than low volume departments. While the four departments listed below—with the lowest ratio of staff to contracts—all indicated that they have sufficient staff to conform contracts on time, their performance indicators are mixed. DHS exhibits an on time conformance percentage below the Citywide average, while Water, Law, and OIT exhibit an on time conformance percentage above the Citywide average. Looking at median days to conformance across contract types, these departments are flipped – DHS conforms contracts more quickly than the Citywide median while Water, Law, and OIT conform contracts less quickly than the Citywide median.

There is an opportunity for further investigation to better understand how systemic challenges, such as the overwhelming volume of contracts and challenges planning for and managing that contract load, are impacting departments with low ratios of staff to contracts.

Departments with the lowest ratio of conformance staff to professional services contracts

| Department | Ratio of conformance staff to professional services contracts |
|------------|---|
| Law        | 1:53  |
| Water      | 1:45  |
| DHS        | 1:24  |
| OIT        | 1:24  |

Meanwhile, departments with relatively small average annual contract loads (less than 20 professional services contracts per year) often experienced the highest ratio of conformance staff to contracts, sometimes as high as 1:1. There may be opportunities for smaller units to share dedicated contracting staff, expanding the shared services model for contract management that several departments rely on to process contracts, rather than each team maintaining its own conformance capacity.

- MDO’s finance and administration staff handles invoicing and payment for multiple respondents, including the Mayor’s Commission on Aging and the Office of Domestic Violence Strategies.
- Streets and Sanitation relies on a shared Administrative Division to perform various ACIS functions, initiate contracts and amendments, process invoices, and approve encumbrances for Capital and Operating Budget projects.
- The Administrative Services Center in the Director of Finance’s office handles financial/administrative tasks for a number of departments.

The City should examine the effectiveness of existing shared service models more closely to determine if they are suitable models to replicate to support other, low contract volume departments or if the City would benefit from new systems for sharing conformance staff.

Departments with the highest ratio of conformance staff to professional services contracts

| Department                                | Ratio of conformance staff to professional services contracts |
|---|---|
| Department of Fleet Services, Budget Unit | 1:1   |
| Records Department, Administration        | 1:2   |
| Office of Property Assessment             | 1:3   |

*Takeaway 5: The conformance staff to contract ratio does not appear to be tied to conformance performance across departments. There are no immediate conclusions to draw around number of staff impacting conformance performance.*

Across departments, there does not appear to be a meaningful relationship between the staff-to-contract ratio and key conformance indicators (*i.e.*, the percentage of contracts conformed on time and the median days to conformance). Even departments with the same staff-to-contract ratio exhibit entirely different values across conformance performance indicators. For example, both DHS and OIT have a staff to contract ratio of 1:24. DHS has a 1% on time conformance rate, compared to 24% for OIT, and a median timeline to conformance of 37 days, compared to 56 for OIT.

Departments with a low staff-to-contract ratio and those with a high staff-to-contract ratio alike experience challenges conforming contracts on time and have median conformance timelines beyond the Citywide average of 52 days. This is likely attributed to the systemic issues elevated in our findings and the differences in performance indicators listed above are likely related to differences in approach and routines taken by departments to conformance.

| Department     | Staff-to-contract ratio | % conformed on time across total (FY20 – January FY25) | Median days to conformance across all contract types (FY20 – January 2025) |
|----------------|-------------------------|--|--|
| Human Services | 1:24                    | 1%   | 37   |
| Public Health  | 1:23                    | 3%   | 50   |
| Commerce       | 1:17                    | 24%  | 42   |

| <b>Department</b>   | <b>Staff-to-contract ratio</b> | <b>% conformed on time across total (FY20 – January FY25)</b> | <b>Median days to conformance across all contract types (FY20 – January 2025)</b> |
|---|--------------------------------|---|---|
| Office of Homeless Services (OHS)   | 1:22                           | 1%  | 39  |
| Water   | 1:9                            | 28%   | 83  |
| Planning and Development, DHCD  | 1:17                           | 1%  | 43  |
| Law   | 1:53                           | 14%   | 72  |
| Office of Innovation and Technology   | 1:24                           | 24%   | 56  |
| Department of Behavioral Health and Intellectual DisAbility Services (DBHIDS) | 1:21                           | 0%  | 61  |
| Chief Treasurer’s Office  | 1:30                           | 37%   | 66  |
| Philadelphia Department of Prisons  | 1:19                           | 8%  | 49  |
| Finance, Executive Direction/ASC  | 1:9                            | 7%  | 64  |
| Office of Community Empowerment and Opportunity                               | 1:8                            | 0%  | 64  |
| Board of Pensions and Retirement  | 1:10                           | 18%   | 76  |
| District Attorney, Finance  | 1:6                            | 3%  | 64  |
| Revenue, Budget and Fiscal  | 1:3                            | 10%   | 110   |
| Licenses and Inspections  | 1:3                            | 16%   | 63  |

| Department                                | Staff-to-contract ratio | % conformed on time across total (FY20 – January FY25) | Median days to conformance across all contract types (FY20 – January 2025) |
|---|-------------------------|--|--|
| CAO’s Office                              | 1:8                     | 9%   | 52   |
| Office of Property Assessment             | 1:3                     | 7%   | 92   |
| Records Department, Administration        | 1:2                     | 5%   | 68   |
| Department of Fleet Services, Budget Unit | 1:1                     | 24%  | 21   |

*Takeaway 6: More than half of the departments that completed the staffing survey (13 of 25) report having sufficient staff to both conform and pay contracts on time. Two departments reported not having sufficient staff to both conform and pay contracts on time, and ten departments reported being unsure about at least one of these two key functions.*

A department’s indication of sufficient staffing, or lack thereof, varied widely in terms of number of staff, average annual contract volume, and the ratio of staff to contracts. There does not appear to be a meaningful relationship between a department’s self-reported capacity to conform and pay contracts on time and its actual performance in the conformance process.

Five respondents reported that their units do not have sufficient staff to conform contracts on time (OHS, DHCD, CAO, Office of Domestic Violence Strategies, and Sanitation). Of these departments, we have conformance performance data for OHS, DHCD, and CAO. All three departments fall below the Citywide average for the percentage of contracts conformed on time (10%). Importantly, though, both OHS and DHCD have median conformance timelines below the Citywide median (52 days), 39 and 43 days respectively. This indicates that OHS and DHCD are likely routing contracts behind schedule but have a relatively efficient conformance process after routing has been initiated. While DBHIDS reported being unsure as to their capacity to both conform and pay contracts on time, they made a note indicating that more staff would be helpful in managing the work.

Along with reporting insufficient staffing, these departments also reported systemwide challenges that inhibit on-time conformance and payment, including the challenge of conforming contracts before the start date due to the inability to encumber funds until the budget is passed and final awards are officially made.

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Respondents who reported sufficient staff and respondents who reported being unsure also raised systemwide challenges to on-time conformance that did not involve staffing or resourcing. These included delayed submission of required documents by providers, time spent monitoring the movement of contracts through the conformance process, and following up with other departments if a contract is stuck in review.

The departments which reported that they do not have sufficient staff to pay contracts on time are CAO and DHCD. While delays in payment are largely beyond the scope of our analysis, the City should consider opportunities to further investigate challenges that departments may be facing during the payment and invoicing processes.

| Department  | Sufficient staff to conform on time | Sufficient staff to pay invoices on time | % conformed on time across total (FY20 – January FY25) | Median days to conformance across all contract types (FY20 – January 2025) |
|---|-------------------------------------|--|--|--|
| Human Services  | Yes                                 | Unsure                                   | 1%   | 37   |
| Public Health   | Yes                                 | Yes                                      | 3%   | 50   |
| Commerce  | Yes                                 | Yes                                      | 24%  | 42   |
| Office of Homeless Services (OHS)   | No                                  | Yes                                      | 1%   | 39   |
| Water   | Yes                                 | Yes                                      | 28%  | 83   |
| Planning and Development, DHCD  | No                                  | No                                       | 1%   | 43   |
| Law   | Yes                                 | Yes                                      | 14%  | 72   |
| Office of Innovation and Technology   | Yes                                 | Yes                                      | 24%  | 56   |
| Department of Behavioral Health and Intellectual Disability Services (DBHIDS) | Unsure                              | Unsure                                   | 0%   | 61   |
| Chief Treasurer's Office  | Yes                                 | Yes                                      | 37%  | 66   |

| <b>Department</b>                                     | <b>Sufficient staff to conform on time</b> | <b>Sufficient staff to pay invoices on time</b> | <b>% conformed on time across total (FY20 – January FY25)</b> | <b>Median days to conformance across all contract types (FY20 – January 2025)</b> |
|---|--|---|---|---|
| Philadelphia Department of Prisons                    | Yes  | Yes   | 8%  | 49  |
| Finance, Executive Direction/ASC                      | Yes  | Yes   | 7%  | 64  |
| Office of Community Empowerment and Opportunity       | Yes  | Yes   | 0%  | 64  |
| Board of Pensions and Retirement                      | Unsure                                     | Unsure  | 18%   | 76  |
| District Attorney, Finance                            | Unsure                                     | Yes   | 3%  | 64  |
| Revenue, Budget and Fiscal                            | Yes  | Yes   | 10%   | 110   |
| Licenses and Inspections                              | Unsure                                     | Yes   | 16%   | 63  |
| CAO’s Office  | No   | No  | 9%  | 52  |
| Office of Property Assessment                         | Yes  | Yes   | 7%  | 92  |
| Records Department, Administration                    | Yes  | Yes   | 5%  | 68  |
| Department of Fleet Services, Budget Unit             | Yes  | Yes   | 24%   | 21  |
| Managing Director’s Office (MDO), Administrative Unit | Yes  | Unsure  | N/A   | N/A   |

| Department                             | Sufficient staff to conform on time | Sufficient staff to pay invoices on time | % conformed on time across total (FY20 – January FY25) | Median days to conformance across all contract types (FY20 – January 2025) |
|--|-------------------------------------|--|--|--|
| Office of Domestic Violence Strategies | No                                  | Unsure                                   | N/A  | N/A  |
| Sanitation                             | No                                  | Yes                                      | N/A  | N/A  |
| MDO, Mayor’s Commission on Aging       | Unsure                              | Unsure                                   | N/A  | N/A  |

**Conclusion and next steps**

The findings in this analysis align with Bennett Midland’s overall findings and recommendations around the conformance process for professional services contracts. While there are certainly opportunities to better support and resource the City’s line staff, there does not appear to be a strong causal relationship between department staffing levels or the ratio of staff to contracts and key conformance indicators (*i.e.*, on-time conformance and median days for conformance). Rather, the primary drivers of delayed conformance, as we have previously identified, seem to be the overwhelming volume of contracts and a lack of effective and consistent routines to plan for and manage this volume of contracts through the conformance process.

Several of the departments that report a lack of sufficient staff or that report being unsure if current staffing levels are sufficient have small contract loads and would likely benefit from expanding shared service models to process contracts. The City should consider where and how to expand the use of shared services, which MDO is already doing for several small agencies. The City should also follow up with the departments that handle a larger volume of contracts and report a lack of sufficient staff or report being unsure if current staffing levels are sufficient to better understand: (1) the perceived effects of staffing challenges on conformance performance and (2) if there are opportunities to provide targeted resources to the high-volume departments.

Beyond staffing and resourcing, we’ve also put forth a category of recommendations in our complete slate of recommendations centered around supporting the City’s line staff and ensuring that all conformance staff have the tools and training they need to be successful in their work. These include:

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- Develop a comprehensive, citywide training program for department conformance staff, oversight staff, and program staff that details the conformance process and expectations;
- Organize and maintain an active, engaging community of practice for conformance staff to learn from one another about strategies for managing common challenges;
- Develop and maintain a contact list for conformance staff at each department, including clearly identified leads across departments with authority to advance and sign contracts;
- Develop dashboards to support City leaders, the Procurement Department, and contracting and finance staff to manage the conformance process; and
- Review current staffing numbers, titles, and compensation for conformance and finance staff citywide to ensure sufficient and equitable resourcing.

These recommendations are meant to formalize resources, training, and routines such that they are accessible to all City staff, empowering them to work through the conformance process more efficiently and easily. Crucially, though, these recommendations must be paired with simultaneous efforts to address the two primary drivers of late conformance: an overwhelming volume of contracts and a lack of structured routines to manage these contracts through the process.

**Appendix H: Analysis of the City's Experience with the Requirements Set Forth in Chapter 17-1400 of the Philadelphia Code, published September 30, 2023, eContractPhilly**

## **Analysis of the City's Experience with the Requirements Set Forth in Chapter 17-1400 of the Philadelphia Code *September 30, 2023***

In accordance with the requirements of Chapter 17-1400 of the Philadelphia Code ("17-1400"), this report provides, *pursuant to a Memorandum of Understanding between the Office of the Director of Finance and the Office of the Chief Administrative Officer ("OCAO"), the Chief Administrative Officer's ("CAO") "analysis of the City's experience with the requirements of...[the]... Chapter during the previous fiscal year" and "recommendations, if any, to amend the requirements of this Chapter or otherwise to improve the procurement process to ensure efficiency, economy and productivity, including the use of innovative means of procurement that will be competitive and in the best interest of the City."*

### **HISTORY**

In 2005, voters in the City of Philadelphia (the "City") approved an amendment to the Home Rule Charter that granted City Council the authority to regulate the City's contracting process in specific areas. Under that authority, City Council passed, and the Mayor signed, legislation changing the way the City enters into "Non-Competitively Bid Contracts," which are primarily for Professional Services Contracts. These changes required an open, transparent, and competitive process and that individuals and businesses interested in doing business with the City could view contract opportunities available with City departments and agencies and could apply for those opportunities through a user-friendly online system.

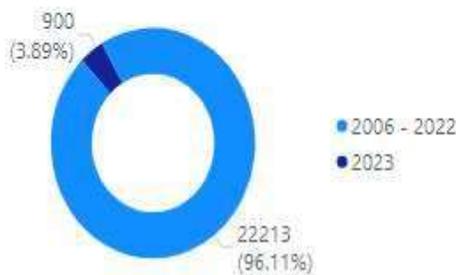
In order to comply with the various public information requirements, the City launched the eContract Philly website (<https://philawx.phila.gov/econtract/>) in 2006. The website has served as the primary vehicle for the public and vendors to obtain Professional Services contract information. eContract Philly is used to advertise new professional services contract opportunities (also known as Request for Proposals or "RFPs"), accept vendor Applications, and announce vendor applicants and with which of the applicant vendors the City intends to contract (Notices of Intent to Contract) based on those applications. eContract Philly makes sure that this information is publicly available and that the public has access to every Applicant's disclosure information, including political contributions given to incumbents and candidates for city elective office and city-based political committees, requests for things of value made by City employees, and suggestions made as to which Minority- or Women-Owned Business Enterprises to use in responding to RFPs. The City also posts all notices of contract renewals and certain amendments to existing contracts on the eContract Philly site.

Vendors seeking consideration for contracts must register on eContract Philly and then submit applications through the website's online process, which requires vendors to complete the various disclosure forms identified in 17-1400 during the contracting process.

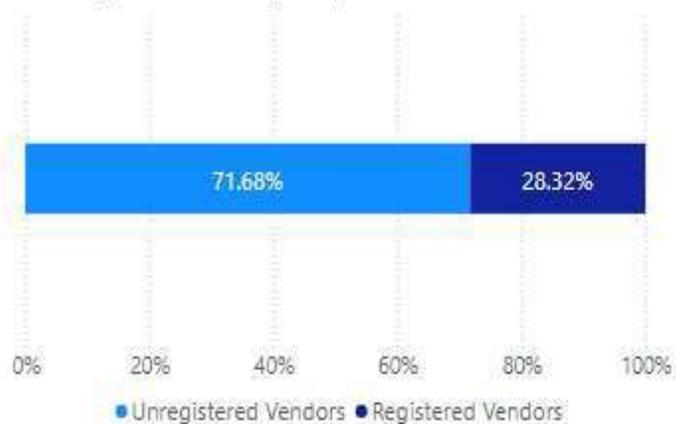
The eContract Philly website serves as the public face to the City's internal contract management system; and through an interface with the City's internal Automated Contract Information System ("ACIS"), applications and other vendor information submitted through the website become available to staff. And, the City hosts two other sites where certain professional services opportunities are advertised. The first is RFPs Online (<https://www.phila.gov/departments/office-of-the-chief-administrative-officer/contract-opportunities-with-special-application-processes/>) which provides additional opportunities such as Requests for Information and RFPs from the City's social services agencies. The second is Contracts Hub (<https://contracts.phila.gov/#/>) which links to eContract Philly and RFPs Online (<https://www.phila.gov/departments/office-of-the-chief-administrative-officer/contract-opportunities-with-special-application-processes/>) which was launched in 2020 and consolidates information from other City websites such as eContract Philly and RFPs Online. Since 2006, the City has published and posted on eContract Philly, on a quarterly basis, reports on all professional services contracts and instances of financial assistance, providing information on the parties, the contracts, and the dollar amounts involved. Further, more information regarding such contracts and contracting opportunities may be available through submission of Right To Know Requests.

As a matter of background, the charts below demonstrate vendor registration over the life of eContract Philly, as well as the percentage of vendors receiving electronic notifications regarding new RFP opportunities. Additionally, the eContract Philly Statistics chart illustrates overall activity related to RFPs, contract awards, disclosure submissions and renewal certifications. Table 1 provides a detailed summary of the contract activity by City department for Fiscal Year 2023.

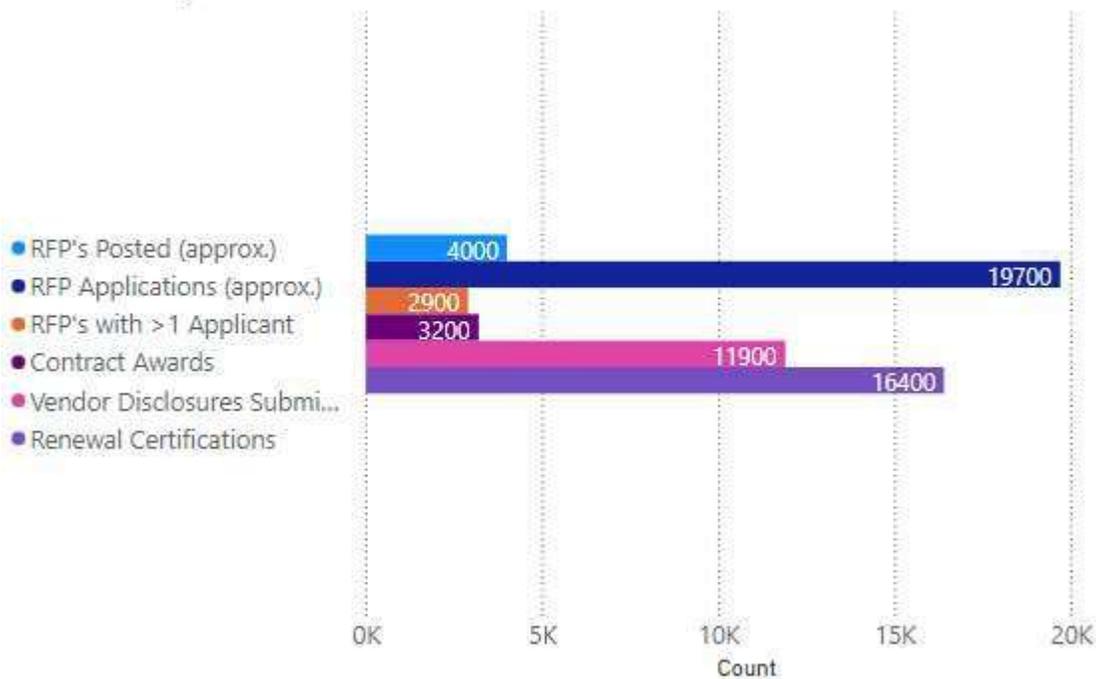
Vendors Registered on eContractPhilly



Percentage of Vendors Signed up for eNotifications



### eContractPhilly Statistics



### **CHIEF ADMINISTRATIVE OFFICER'S ANALYSIS OF FY23 EXPERIENCE WITH CHAPTER 17-1400**

In FY 2023, the CAO and the Procurement Department's primary areas of focus continued to be a) working closely with the City departments and agencies to prepare and advertise opportunities as well as complete the contracting process for those opportunities, b) working closely with vendors as they moved through the registration, application and contracting process, c) identifying opportunities to make the professional services contracting process more equitable and efficient, and d) implementing newly modified disclosure requirements for vendors as a result of amendments to the Walter P. Lomax, MD Transparency In Business legislation ("Transparency In Business") and the Administration's re-prioritization of demographic disclosures from City vendors.

In support of these focus areas, the CAO and Procurement coordinate and hold the Contract Resource Group Meetings – these are monthly meetings with City staff designed to deliver information, updates, and data to keep departments apprised of the City's various contracting policies, processes, and procedures. Procurement is continuing its work directly with departments to expand the pilot program for capacity-building whereby departmental staff optimize their structure and improve coordination with Procurement staff to improve performance. Throughout FY23, CAO and Procurement benefited from a close partnership with the Government Performance Lab of Harvard University. Through cohorts, technical assistance, conferences, and weekly coaching, this partnership served as the launch pad for a number of process improvement initiatives that are currently underway. This includes a piloted online Procurement Planner for departments to use to identify contracting options, a

redesigned results-drive RFP template, improvements to the LBE registry, and the development of an online portal for vendors to complete the multiple demographic disclosures required under 17-1400 or by Executive Order. Specifically, CAO and the Procurement Department, in cooperation with other City departments, have been engaged in a project to streamline and consolidate the various demographic disclosure requirements of the Transparency In Business legislation and other legislation, such as the Business, Corporate and Slavery Era Insurance Ordinance into an online portal. Additionally, the offices have revised internal policies to support departments in drafting, posting and awarding opportunities for non-competitively bid contracts (which include both Professional Services contract opportunities and Best Value contract opportunities).

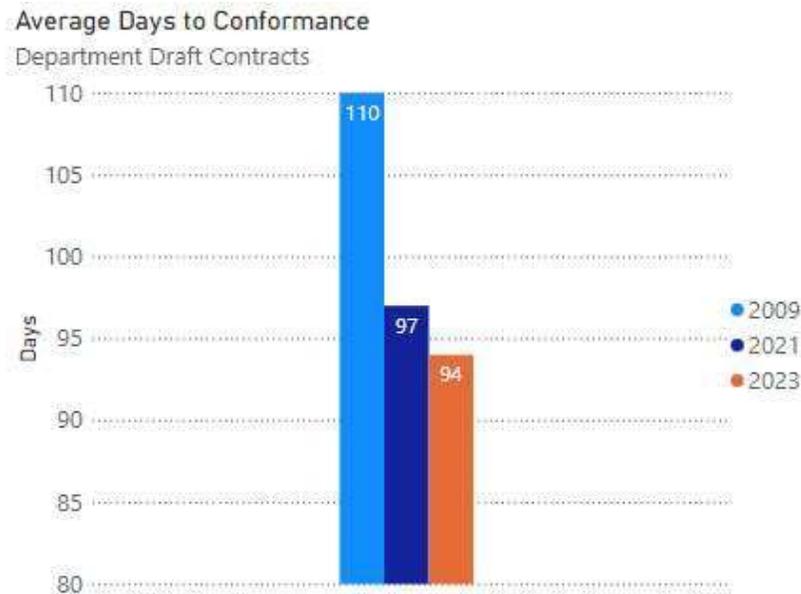
The CAO has taken the lead City-wide in enhancing, simplifying, and expediting the vendor payment process through its work on the City's Vendor Payment Portal. As of September 1, 2023, all City departments are now required to utilize the Vendor Payment Portal to receive and process vendor payments. Another area of focus for the CAO and Procurement is the continued work on the rollout of the Optimize Procurement and Accounting Logistics ("OPAL") initiative. OPAL is a multi-year, multi-department endeavor to replace the City's legacy supply chain and financial systems. In FY23, the OPAL project is tracking major milestones in the following areas: Acquisition; Functional; Technical and Change Management. Following are some of the accomplishments:

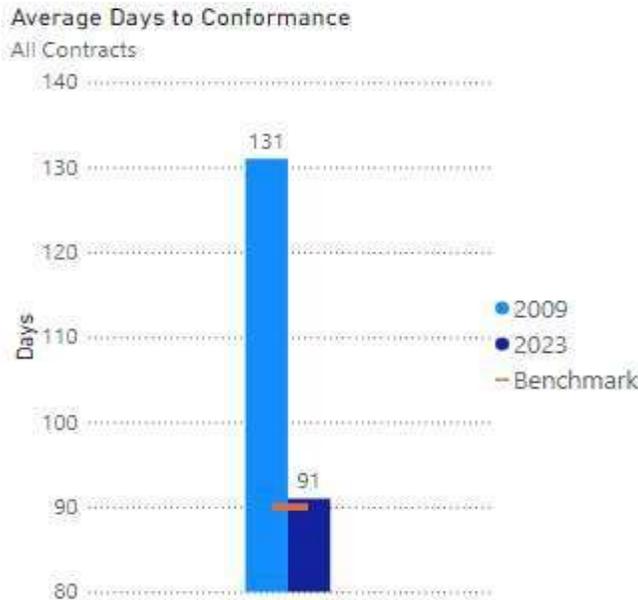
- Acquisition: Completed evaluation, negotiation and conformed (or executed) a contract with Accenture for Workday Implementation Services; developed the requirements for the implementation and Owners Rep Service order;
- Functional: Drafted and prioritized OPAL Project Key Performance Measures; continued hiring and building the OPAL Team (93% of functional team members hired);
- Technical: Gathered additional Current State Systems Information Related to Integrations and Data Conversions; began Data Conversion and Cleansing Efforts for PHLContracts, FAMIS, ADPICs, ACIS, Mainstay;
- Change Management: Built out the Change Management Plan: reconfigured the Working Group into the Change Agent Network; drafted Communications Governance Model, Project Website, Initial Newsletter; developed a Stakeholder Analysis; and, identified the Business Process Leads and Owners.

Further, starting in FY 2012 and continuing to the present, a focus was placed upon performance measurement within the City's contract processes, particularly upon the amount of time it takes for a contract to be fully executed ("conformance"). The current benchmark for Professional Services contract conformance is 90 days. To meet this benchmark, there has been a sustained focus on reducing and realigning the steps required to conform contracts, on creating and utilizing new "small contracts" – through the Local Business Purchasing Initiative - on the process to amend and renew all contracts, on the documentation used and required in RFPs and contracts, on supporting departments in their

contracting efforts and having departments begin those efforts earlier, and on intervening when issues arise in the conformance process.

The City has been able to consistently drive down the average number of days that it takes to conform contracts reducing by 31% between FY 2009 and FY 2023. This performance also reflects that during the height of the COVID-19 pandemic, the number of contracts and the amount of time to conform them continued to fall vis-à-vis 2009; there were 1,080 conformed Law Draft contracts in FY 2021 and the average conformance time was 102 days. For Department Draft contracts, there has been a small 5% decrease in the number of contracts fully executed. The City continues to drive down the average number of days it takes to conform Department draft contracts by 15% as shown below. In FY 2021, while the number of conformed Department Draft contracts ballooned during the height of the pandemic to 1,312, the conformance times continued the downward trend; with an average time to fully execute at 97 days. In our estimation, though there has been some fluctuation as we have come out of the height of the Pandemic and though there remain opportunities for improvement that should continue to drive conformance times down even more, the overall performance to date remains very encouraging as we hover just at the targeted 90 benchmark.



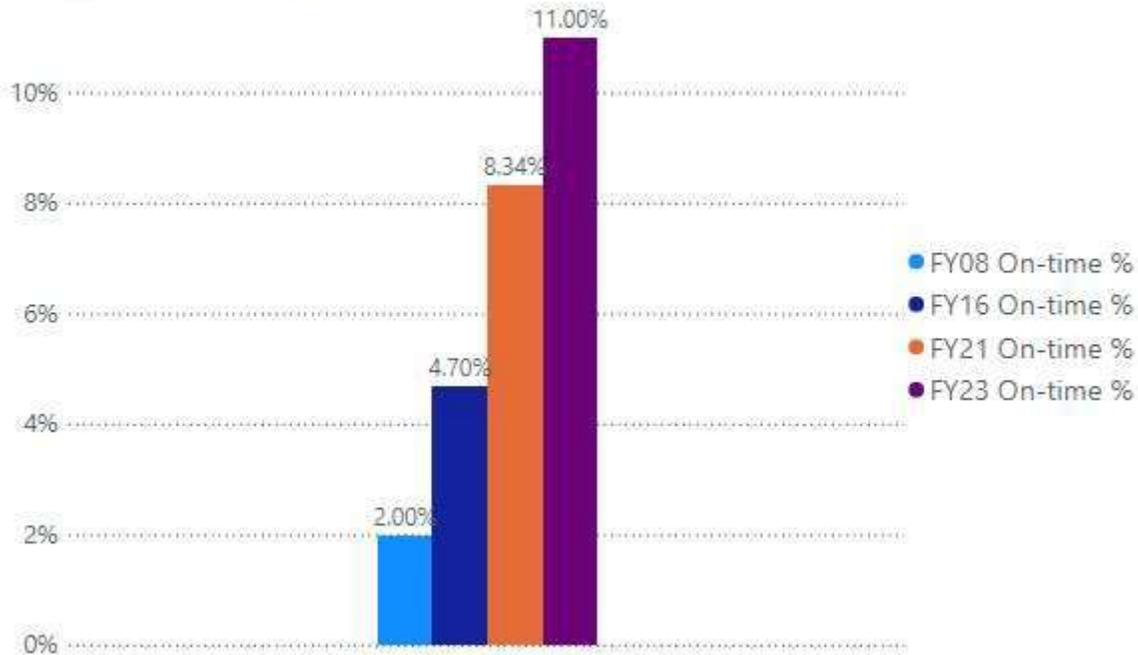


The other two areas where the Procurement Department has done significant analysis is regarding Applications to RFPs received and the percentage of contracts that are fully executed by the contract start (or renewal) date ("on-time conformance"). These measures reflect the quality of planning, the amount, timeliness, and quality of promotion of contracting opportunities, and the impact of operational delays. The data also shows that the number of applications started per contract opportunity has remained relatively flat at just over 6 applications started per contract opportunity over the years and in FY 2023; while the number of applications completed per contract opportunity has remained steady at 4 for FY 2022 and FY2023. The data also shows, however, that the work with departments described above and previously rolled out reporting tools and contract products have helped reverse a downward trend in on-time conformance. The on-time conformance percentage increased ever so slightly from 2% in FY 2008 to 4.7% in FY 2016. More recent re-emphasized work on this metric, especially by departments, has helped significantly increase on-time conformance performance to 8.34% in FY 2021 and up to 11% in FY 2023. The key for this metric continues to remain the percentage of contracts routed before the contract start date; that figure must rise in order for on-time conformance to rise. And, the percentage of contracts routed before the contract start date indeed has continued to rise and most recently rose from 31.9% in FY 2021 to 32.5% in FY 2023. 75% of these contracts are fully conformed by the 180-day mark.

**FY23 Contract Applications**  
Average # Per RFP Opportunity



**On-Time Contract Conformance**



**NON-PROFIT EXEMPTION REPORTS**

Under recent regulations promulgated in regard to Chapter 17-1400 (the “17-1400 Regulations”), we are reporting out in regard to the exemption from posting under section 17-1406(8) – known as the “non-profit exemption” – where certain departments, agencies and offices are permitted to directly contract with non-profit vendors of their choice. The report is designed to demonstrate the commitment of each such contracting department/agency/office to increasing competition and transparency in their awards of contracts to non-profit entities and to highlight the efforts so undertaken.

The departments, agencies, and offices which have statutory authorization for the non-profit exemption are: the Office of Housing and Community Development in the Department of Planning and Development; the Department of Human Services; the Health Department; the Parks and Recreation Department; the Office of Homeless Services; the Office of Behavioral Health and Intellectual Disability Services; the Office of Adult Services; the Office of Community Engagement; the Philadelphia Department of Prisons; the Commission on Disabilities; the Commission on Aging; and the Office of the District Attorney.

Under Regulation 3.2 of the 17-1400 Regulations, each such contracting agency that has made an award in FY 2023 to a non-profit entity is required to provide:

- a) the contracting agency's plans for the current fiscal year to promote competition and transparency in the award of contracts with not-for-profit entities;
- b) the contracting agency's analysis of its compliance in the prior fiscal year with its stated plans to promote competition and transparency; and,
- c) for each contract the contracting agency awarded a not-for-profit entity during the prior fiscal year:
  - 1) a description of any competitive process used to award the contract (e.g., the RFP process provided for at § 17-1402(1)(a), (c); published request for proposals, information or qualifications; targeted request for proposals, information or qualifications), including when that process was used and the duration of the process;
  - 2) an explanation as to whether such competitive process was sufficient, and why; and,
  - 3) whether and, if so, when, for any prior contract with such not-for-profit entity, any competitive process, including but not limited to the RFP process provided in Chapter 17-1400, was used.

We have attached the reports executed by the department heads of each of those listed contracting agencies that have contracted with non-profit entities in FY 2023.

## **NEXT STEPS**

### *Performance and Process Management*

In FY 2024, the CAO and Procurement Department will continue to mine the data available to assist departments, vendors, and the City staff responsible for reviewing contracts in the conformance workflows to further reduce the contracting times and increasing on time performance. We will continue to work toward the specific goal of improving contracting

city-wide and identifying measurable outcomes to continue to assess performance in key areas within the contract process. We will continue our close work with the departments and their contract staff and the reviewers to continue to manage performance, share performance data and further improve the contracting process.

One area of focus we have is continuing to pilot with additional departments to move the start date of their contracts to a date well before or well after the start of the fiscal year. It is inherent in the annual budgeting process that departments simply cannot and may not timely fully execute a contract that starts on the first day of the fiscal year (July 1). This continued focused pilot will allow for an even greater increase in on-time conformance.

#### *Upgrades to eContract Philly site and the Automated Contract Information System (ACIS)*

The Procurement Department continues and will continue to work on refinements to the existing eContract Philly website and ACIS system (while we await the rollout of the new OPAL system) to further enhance user experience, smooth the contracting flow, and provide additional reporting functionality.

#### *Increasing Competition*

In FY2024, the CAO and Procurement Department plan to continue working with departments, applicants and contractors to assist with any technical issues or regulatory questions regarding the application process and any newly implemented requirements, such as the amended Transparency In Business, and newly implemented process such as the Disclosure Portal and the Vendor Payment Portal. The focus of these efforts continues to be to work closer with the vendor community to make the application process smoother and more user-friendly in hopes of further increasing the number of vendors (including small, local, disadvantaged entrepreneurial vendors) who submit applications to the posted and exempt contract opportunities.

#### *Potential amendments to Chapter 17-1400 of the Philadelphia Code.*

The Administration and City Council have recently made significant changes to the statutory, regulatory and policy and process framework undergirding Chapter 17-1400. So, the CAO, in coordination with the Procurement Department, the Office of Economic Opportunity, the City Solicitor's Office, and the Office of the Chief Integrity Officer, will continue to evaluate the need for additional refinements to Chapter 17-1400 and the associated regulations, policies and processes. Our hope will be to further increase the ability of small, local, Woman- and Minority-Owned businesses to compete for City contracts, to ease the burden required of all vendors to collect and disclose their direct and indirect political contributions to Incumbents in, and Candidates for elected City office, and to local Political Action Committees, and to provide even greater transparency around the City's contracting process.

## **CONCLUSION**

The CAO and Procurement Department have focused on improving the professional services contracting process through a focus on compliance with 17-1400 and the other contracts-related ordinances, Regulations and Executive Orders, data measurement and analysis, continued training and technical assistance provided to City staff involved in the contract process, and refocused efforts toward inclusive opportunities for vendors participating in the Local Business Purchasing Initiative. Looking forward to FY 2024, we anticipate continuing to concentrate our efforts on further improvements to the contracting experience.

**Table 1:  
Summary of Contract Opportunities Posted on eContract Philly  
and Awards Made from Those Posted Opportunities in FY 2023  
(July 1, 2022 to June 30, 2023)**

| <b>Department Name</b>   | <b>Number of FY23 Opportunities</b> | <b>Number of Contract Awards from Posted Opportunities*</b> |
|--|-------------------------------------|---|
| AVIATION   | 7                                   | -   |
| CITY COMMISSIONERS   | 2                                   | 1   |
| CITY CONTROLLER'S OFFICE   | 3                                   | 6   |
| CITY TREASURER   | 1                                   | 1   |
| COMMERCE   | 17                                  | 12  |
| FINANCE  | 3                                   | 2   |
| FIRE   | 1                                   | 1   |
| FREE LIBRAY  | 6                                   | 5   |
| HEALTH   | 20                                  | 14  |
| HUMAN SERVICES   | 37                                  | 30  |
| LAW  | 12                                  | 20  |
| LICENSES AND INSPECTIONS   | 4                                   | 1   |
| MANAGING DIRECTOR  | 23                                  | 13  |
| MAYOR  | 5                                   | 4   |
| MAYOR-OFFICE OF SUSTAINABILITY                                   | 5                                   | 4   |
| MAYOR-OFFICE OF THE CHIEF ADM OFFICER                            | 1                                   | 1   |
| MAYORS OFFICE COMMUNITY SRV.                                     | 4                                   | 2   |
| OFFICE OF BEHAVIORAL HEALTH AND INTELLECTUAL DISABILITY SERVICES | 2                                   | 1   |
| OFFICE OF HOMELESS SERVICES                                      | 1                                   | 1   |
| OFFICE OF INNOVATION AND TECHNOLOGY                              | 9                                   | 8   |
| OFFICE OF THE INSPECTOR GENERAL                                  | 1                                   | 1   |
| PENSION BOARD  | 6                                   | 6   |
| PERSONNEL  | 5                                   | 1   |
| PLANNING & DEVELOPMENT   | 4                                   | 4   |
| POLICE   | 2                                   | 3   |
| PRISONS  | 2                                   | 2   |
| PUBLIC PROPERTY  | 10                                  | 9   |
| RECORDS  | 2                                   | -   |
| REVENUE  | 2                                   | 3   |
| STREETS  | 10                                  | 5   |
| WATER  | 38                                  | 62  |
| <b>Total</b>   | <b>245</b>                          | <b>223<sup>2</sup></b>                                      |
| <b>*against opportunities closing in FY2023</b>                  |                                     |   |

<sup>2</sup> In instances when the contracts awarded exceed opportunities posted, the department has chosen to enter into multiple contracts from the same opportunity. Instances in which there are fewer contracts awarded typically indicate that an award has not yet been made; or, an opportunity was posted and then subsequently cancelled. The number of contracts awarded represents the City's intent to contract and not fully executed contracts.