



MEMORANDUM

Subject: Bureau of Procurement Policy Directive 2018-1

To: Deputy Secretary for Procurement
Chief Procurement Officer

cc: Charles E. Anderson, Chief Counsel
Shawn Smith, Deputy Chief Counsel
Pam Cross, Assistant Chief Counsel

From: Curtis M. Topper
Secretary of General Services

Date: February 9, 2018

The competitive sealed bidding (Invitation for Bids - IFB) method of procurement provides limited discretion in the competitive award of contracts. For example, the use of an IFB does not allow for the consideration of evaluation factors other than price, a best and final offer process, or the negotiation of terms or price with the selected contractor. IFB results often do not reflect the true total cost of the resulting contracts due to the typical need for change orders to resolve any ambiguity or deficiency in the issued specifications, typically at the Commonwealth's expense. As a result, IFBs are not widely used nor considered a best procurement practice in the private sector.

The competitive sealed proposals (Request for Proposals - RFP) method of procurement gives contractors flexibility in the content of their proposals and allows contractors to propose customized solutions to meet an agency's need. RFPs allow for the consideration of evaluation factors in addition to price, including product performance, quality, durability, warranty and training, thereby better taking into account a product's life cycle, total cost of ownership, and return on investment. Additionally, a contractor's qualifications, personnel, experience, prior performance history with the Commonwealth, and its service, delivery, and financial capability can be evaluated. Consistent with the Department's strategic procurement objectives and the Governor's policies to encourage greater participation by small and diverse businesses in Commonwealth contracts, RFPs allow for the consideration of small and diverse business participation and domestic workforce utilization, along with cost, in awarding Commonwealth contracts. Finally, RFPs allow for a best and final offer process and for terms and price negotiations with the selected offeror to ensure a mutually agreed upon scope of work and total contract cost.

It is the Department's experience that procurements issued through the competitive sealed proposals (RFP) process result in contracts where the Commonwealth receives an overall higher quality of supplies and services, at lower total cost, and in a manner that is most equitable to all prospective contractors. Therefore, pursuant to Sections 301(a) and 311 of the Commonwealth Procurement Code (62 Pa.C.S. §§301(a), 311), I find and determine as a policy matter that the competitive sealed proposals process is the method for awarding contracts for supplies and services that is generally the most practicable and advantageous to obtain the best value for the Commonwealth, its citizens, and taxpayers.

Accordingly, effective February 5, 2018, the DGS Bureau of Procurement is directed to utilize the competitive sealed proposals (RFP/RFQ) process to conduct competitive procurements for supplies and services over \$50,000 unless a BOP-125 Request To Use Competitive Sealed Bidding(IFB) Method of Procurement for Supplies and Services over \$50,000 is approved by the Chief Procurement Officer. During the term of this directive all contrary procedures with respect to the procurement of supplies and services contained in the DGS Procurement Handbook shall be considered waived to the extent necessary for such BOP purchases.