



FY09 PERFORMANCE PLAN

Office of Contracting and Procurement

MISSION

To provide quality goods and services for District agencies through a coherent and streamlined procurement process that is responsive to the needs of its customers and suppliers.

SUMMARY OF SERVICES

The Office of Contracting and Procurement (OCP) purchases approximately \$1.5 billion in goods and services on behalf of more than 60 different District agencies and programs. Purchases range from basic office supplies and equipment to information technology services to construction and renovation projects. OCP also provides surplus property management for all District agencies.

OBJECTIVE 1: Streamline and simplify the procurement process

INITIATIVE 1.1: Double the number of term contracts established, with a focus on environmentally preferred products, and simplify the ordering process.

OCP contracting officers and specialists were previously aligned by agency and processed all requisitions for the agencies within their portfolio. This often resulted in multiple solicitations for the same frequently purchased good or service. In late FY08, OCP reorganized into commodity groups in order to consolidate purchasing agreements for commonly purchased items and make them available for the enterprise. OCP plans to expand the number of term contracts from 26 in FY08 to 52 in FY09, and to emphasize environmentally preferred products whenever possible. Further, during FY09 term contracts will be clearly presented to requisitioners in PASS, to simplify the process for agencies that may not be aware of the existing term contracts.

INITIATIVE 1.2: Implement PASS Contract Compliance module.

The District's procurement system, the Procurement Automated Support System (PASS), currently tracks procurement activity at the requisition and purchase order level. The agency also maintains a series of separate stand-alone databases to track contracts and usage, all of which must be updated manually. During the third quarter of FY09, OCP will rollout the Contract Compliance module in PASS which will eliminate the need for the stand-alone databases. The new module supports the loading of master agreements into PASS and tracks the award of individual purchase orders against a master agreement, including spending limits, renewal periods, and volume price discounts. Further, the module will allow OCP to track vendor compliance to negotiated contracts as well as previous performance. The module will cost approximately \$1.4 million in capital funds to implement.

INITIATIVE 1.3: Simplify DC Supply Schedule-related processes and introduce orderable schedules of standard items in PASS.

The DC Supply Schedule (DCSS) is the District's multiple award schedule procurement program which establishes Indefinite Delivery/Indefinite Quantity (ID/IQ) contracts with certified business enterprises (CBEs) for a range of goods and services. Agencies are able to procure items from the DCSS through a somewhat expedited process. In FY09, OCP will make a number of changes to the DCSS to significantly simplify the process from both the vendor and agency perspective, as well as improve the level of competition. Currently, inclusion on the DCSS requires that vendors be certified through the Department of Small and Local Business Development and then be approved through an OCP process. During the second quarter of FY09, much of the OCP approval process will be incorporated into the certification process. Other elements being explored include eliminating the need for separate contracts for each vendor and replacing the quarterly remittance by vendors of the 1 percent discount on total sales with a 1 percent deduction



at time of payment. Finally, by the third quarter of FY09, statutory requirements which incorporate the future direction of the DCSS will be drafted and submitted to Council for approval.

OBJECTIVE 2: Support customer agencies in a responsive and professional manner that is in full compliance with governing laws and policies.

INITIATIVE 2.1: Improve file management practices including implementing new file quality assurance procedures, expanding file room capacity, and auditing for file completion.

Unfortunately, OCP has had recurring audit findings related to incomplete files. In FY09, OCP will continue its efforts to implement new file management procedures, including revised checklists, post-award file reviews, placing and removing files from the file room, and a more appropriate file numbering system. The agency will also invest \$50,000 for the purchase of new file cabinets to significantly increase capacity.

INITIATIVE 2.2: Establish new standards of customer service.

Starting in FY09, OCP will introduce a customer service team that will serve as the “first line” of agency support. While the commodity alignment of staff is more sensible from a procurement perspective, it means agencies no longer have a single point of contact in OCP. This customer service unit will be cross trained to answer basic process and “how to” questions, and be authorized to resolve Purchase Card-related requests. This unit will be critical as more procurement activity becomes decentralized to the agency level. Further, all OCP staff will receive specific guidance regarding expectations around customer response to eliminate agency frustration with poor communication. Good customer service also entails setting clear expectations for customers in terms of what sort of lead times and information they need to provide to OCP. In FY09 OCP will continue to leverage DCPedia to ensure agencies have complete and accessible information about the different procurement methods and process times required for each. Further, OCP will introduce a Procurement 101 course during the second quarter to provide fundamental “how to” information for those new to public procurement.

OBJECTIVE 3: Increase the quality and value of goods and services procured by maximizing the use of the competitive market place.

INITIATIVE 3.1: Increase the quality and number of vendors doing business with the District.

In late FY08, OCP hired a vendor relations manager for the first time. OCP recognizes the value of increasing the number and quality of vendors who do business with the District. The vendor relations manager will develop and implement an outreach strategy that leverages business trade groups, Chambers of Commerce and the Department of Small and Local Business Development to attract new, high quality vendors to the District procurement process.

INITIATIVE 3.2: Implement an electronic sourcing process to allow vendors to view and respond to solicitations online.

Vendors currently complain that they are not alerted to all solicitations, particularly when it is request for quote under \$50,000 and not posted on the internet. In Q3 of FY09, OCP will rollout the PASS Sourcing module which will email solicitations to all relevant registered vendors, ensuring maximum participation. This process change will enhance competition and ultimately lower prices, reduce cycle times, and eliminate paper. Further, the module will assist OCP in the electronic creation of more standardized sourcing events (e.g., requests for proposals, invitations for bids), the maintenance of template libraries, the management of sourcing milestones and the



standardized grading of vendor responses. The \$2.6 million costs related to the module implementation are included in the capital budget.



PROPOSED KEY PERFORMANCE INDICATORS

Performance Measure	FY 2007 Actual	FY 2008 Target	FY 2008 YE Actual	FY 2009 Projection	FY 2010 Projection	FY 2011 Projection
Objective 1						
Average number of days from requisition to purchase order for simplified acquisitions under 100K - OCP only	8.5	7.5	6.2	7	6	5
Total number of purchase orders processed through OCP	16,663	14,000	15,088	13,000	10,000	8,000
Total dollar amount purchased by OCP (in millions)	\$1,164	\$1,232	\$1,350	\$1,300	\$1,343	\$1,400
Purchase card utilization rate (based on total purchases \$2500 and below)	53.6%	60%	73.8%	80%	85%	90%
Number of term contract vehicles	0	10	26	52	100	150
Objective 2						
Percent of OCP customers rating OCP satisfactory or better	60.8%	65%	48.1%	65%	70%	75%
Value of District agency property disposals recycled to another agency	\$452,258	\$500,000	\$1,990,327	\$650,000	\$700,000	\$750,000
Objective 3						
Number of newly registered vendors	935	965	1,097	1,000	1,000	1,000
Percent of RFPs and IFBs receiving only one response	N/A	N/A	13.6%	12%	10%	8%