



## **FY 2010 PERFORMANCE PLAN Office of Contracting and Procurement**

### **MISSION**

The mission of the Office of Contracting and Procurement OCP is to partner with vendors and District agencies to purchase quality goods and services in a timely manner and at a reasonable cost while ensuring that all purchasing actions are conducted fairly and impartially.

### **SUMMARY OF SERVICES**

OCP purchases approximately \$15 billion in goods and services on behalf of more than 60 different District agencies and programs. OCP buying teams include goods, services, transportation and specialty equipment and information technology. The agency provides oversight and monitoring of agencies with delegated contracting authority, contract administration support and manages the District's Purchase Card Program. OCP also provides surplus property management for all District agencies.

### **PERFORMANCE PLAN DIVISIONS**

- Procurement Division
- Administration and Support Division
- Performance Management Division
- Procurement Integrity and Compliance Division



## *Procurement Division*

### **SUMMARY OF SERVICES**

The Procurement Division for OCP acquires goods and services for all District programs in accordance with the Public Procurement Act, District Code and the 27 DCMR. Through the incorporation of industry best practices and the highest level of customer service the citizens of the District are guaranteed the most efficient, effective and economical expenditure of public funds.

### **OBJECTIVE 1: Streamline and Simplify the Procurement Process**

#### **INITIATIVE 1.1: Redesign Bid Process.**

Procurement staff will work with a consultant from the Office of the City Administrator (OCA) to redesign the current Invitation for Bid (IFB) process. The goal of this initiative is to reduce cycle time by eliminating duplicative and non-value added steps. Using the Six Sigma approach, the consultant will work with the procurement staff throughout the first quarter to ensure the IFB process is as streamlined as possible. Some changes may be operational and implemented immediately, while others may require longer-term system or legislative changes. Lessons learned from the IFB redesign will then be applied to the Request for Proposal process.

*Date: 1<sup>st</sup> Quarter, No Cost Associated*

### **OBJECTIVE 2: Increase the quality and value of goods and services procured by maximizing the use of the competitive market place.**

#### **INITIATIVE 2.1: Increase Cost Savings and Cost Avoidance Efforts.**

While full and open competition should invariably lead to optimal pricing, there are still opportunities to receive deeper reductions from our vendors. In late FY09, procurement staff participated in a negotiation training course to better equip them for discussions with vendors about increased discounts. During FY10 each staff member will be asked to document cost savings at a specific dollar amount as part of their individual performance plans. Using these new negotiated cost savings and cost avoidance efforts, OCP procurement staff will be challenged to identify and document savings to the District at least equal to the annual operating budget for OCP.

*Date: 1st – 4th Quarter, No Cost Associated*

#### **INITIATIVE 2.2: Foster Sustainable Procurement Initiatives within the District.**

OCP intends to launch a formalized Green Purchasing Program (GPP) by the second quarter of FY10. As part of the GPP initiative the OCP procurement staff will:

- Establish a minimum of five term contracts that incorporate environmentally preferable attributes into product specifications;
- Modify or revise soon-to-expire contracts for possible incorporation of EPP standards on an as-needed basis;
- Spearhead a minimum of three environmentally preferable pilot programs in cooperation with designated District agencies; and



- Develop a Green Procurement Guide that incorporates recommended procurement guidelines and best practices for a minimum of 12 products and/or services.

*Date: 1<sup>st</sup> – 4<sup>th</sup> Quarter, No Cost Associated*

**PROPOSED KEY PERFORMANCE INDICATORS – Procurement Division**

<b>Measure</b>	<b>FY08 Actual</b>	<b>FY09 Target</b>	<b>FY09 YTD</b>	<b>FY10 Projection</b>	<b>FY11 Projection</b>	<b>FY12 Projection</b>
\$ Procurement Contract Cost Savings*	N/A	N/A	N/A	N/A	N/A	N/A
Total # of Term Contract Vehicles	N/A	52	32	50	65	80
% of EPP Term Contract Vehicles*	N/A	N/A	N/A	N/A	N/A	N/A
Total # of Purchase Orders processed through OCP	15,008	13,000	10,037	10,000	8,000	6,000
Total \$ amount purchased by OCP (in millions)	\$1,351	\$1,300	\$1,192	\$900	\$850	\$850
% of RFPs and IFBs receiving only one response	13.6%	12%	5.5%	10%	8%	6%
Average # of days from Solicitation to Award for IFBs*	N/A	N/A	N/A	N/A	N/A	N/A
Average # of days from Solicitation to Award for RFPs*	N/A	N/A	N/A	N/A	N/A	N/A
# of payments to vendors District rejected for lack of a legal contract	N/A	N/A	N/A	TBD	TBD	TBD
% of vendors with multiple contracts	N/A	N/A	N/A	TBD	TBD	TBD
Percent of newly registered vendors who have won contracts within 6 months of certification	N/A	N/A	N/A	TBD	TBD	TBD

*\*FY10 will be a base-year, no projection for out years.*



## *Administration and Support Division*

### **SUMMARY OF SERVICES**

The Administration and Support Division (ASD) provides the foundation for the Office of Contracting and Procurement (OCP). There are several sections under this division: Facilities Management, File/Records Management, Bid Room, Vendor Relations, Human Resources and the Personal Property Division (PPD).

### **OBJECTIVE 1: Streamline and Simplify the Procurement Process.**

#### **INITIATIVE 1.1: Improve Management of Personal Property Division (PPD)**

##### **Inventory.**

Currently, the PPD emails pictures of surplus property to a representative in each agency, with pictures of “new” surplus items in the warehouse. Typically, if an agency wants a particular item, an employee must physically come to the warehouse to view it. Starting in FY10, OCP will create a personal property website to facilitate the distribution of recycled property among District agencies. Individual customers will be able to search, view and acquire property directly from the web. This initiative is intended to increase the amount of property the District recycles and ultimately keep the cost of new purchases down (or eliminated altogether). In addition to the marketing of our property recycling program, PPD will also implement an enhanced inventory management database to more accurately track property received and delivered.

*Deadline: 2nd Quarter FY10, No Cost Associated*

#### **INITIATIVE 1.2: Introduce Online Vendor Intake Process.**

Vendors frequently reach out to OCP staff with questions about the procurement process and how to get started. The Vendor Relations group plans to develop an online Vendor Intake Form and database. The online intake form’s function will be to diagnose vendor problems. As vendors submit their inquiries and/or complaints, the database will identify “keywords” in the submission that will pull up information related to that topic. If the vendor’s questions are not answered through this “Frequently Asked Questions” guidance, then they will be able to submit their question to the vendor relations unit, who will direct them to the appropriate source for resolution. This management tool will help resolve vendor questions more quickly and allow OCP to develop a targeted approach to recurring vendor inquiries.

*Date: 2nd Quarter, No Cost Associated*

### **OBJECTIVE 2: Increase the quality and value of goods and services procured by maximizing the use of the competitive market place.**

#### **INITIATIVE 2.1: Establish District Procurement Trade Shows.**

The Vendor Relations group will promote and establish procurement trade shows within the District focused on bringing procurement stakeholders together. This exhibition will allow vendors in various industries to showcase and demonstrate their latest products and services, study activities of rivals and examine recent trends and opportunities. These events will consist of breakout sessions where buyers and suppliers are brought together to



explore business opportunities within the District and will feature award presentations to the District's "best" vendor for the fiscal year. Awards will go to vendors with the highest score on their vendor evaluations. The goal of this event is to increase the District's pool of quality vendors while promoting competition to provide quality goods and services that ultimately lead to cost savings.

*Date: 3rd Quarter, Cost approximately \$5,000*

### **OBJECTIVE 3: Increase Accountability through Transparency and Compliance with Governing Laws and Policies.**

#### **INITIATIVE 3.1: Implement the new OCP Contract File Management Process.**

With assistance from the Office of Procurement Integrity and Compliance Division (OPIC), the Administration and Support Division is creating a new file management process. Upon completion, staff will be able to maintain the integrity of contract files and related documents. The comprehensive process will include written procedures for contract file preparation, file room procedures, closeout of contract files, storage, retention, and contract file checklists. In addition, this initiative will feature a technology integration component.

*Date: 1st – 2nd Quarters, No Cost Associated*

### **OBJECTIVE 4: Provide Effective Customer Guidance and Education in a Responsive and Professional Manner.**

#### **INITIATIVE 4.1: Implement Agency Contract Officer (ACO) Certification Training.**

The Chief Procurement Officer is extending delegated procurement signature authority to qualified individuals in District Agencies for purchases up to \$25,000. Administration and Support is responsible for coordinating the seven-week on-site training program for selected agency participants. The first cohort will be trained during the first quarter of FY10 and will include representatives from approximately 8 agencies. The certification training will consist of classroom instruction by OCP procurement staff and on-the-job training, where participants will partner with OCP contract officers in their day to day duties. Upon successful completion of a final exam, participants will receive certification from the Chief Procurement Officer. Future certification classes will be held late FY10 and/or early FY11.

*Date: 1st Quarter, No Cost Associated*

#### **INITIATIVE 4.2: Incorporate OCP Courses into the DCHR Training Registration System and Catalog.**

Currently OCP manages the content development, marketing and registration of its training courses independently of DCHR's Workforce Development Administration (WDA). Starting in FY10, OCP will work with DCHR to incorporate OCP courses into the 2010 WDA Course Catalog. During the third quarter of FY10, DCHR plans to implement the PeopleSoft training module, at which point OCP will migrate its course registration activity to PeopleSoft as well. This will allow District employees and their managers to view a complete list of completed courses in a single repository. OCP



believes that incorporating our curriculum into the DCHR system will broaden our audience and allow OCP to focus on its core activities.

*Date: 2nd Quarter, No Cost Associated*

**INITIATIVE 4.3: Develop Procurement Marketing Tools for the District.**

The Vendor Relations group will develop a “How To” vendor guide for the District’s Wiki page. This guide will address topics related to “How To” search District contracting opportunities, understand the vendor registration process, receive contract evaluations, attend OCP outreach programs and contact agency buyers. OCP believes this initiative will serve as a vendor support tool while providing a stable and consistent vendor education platform.

*Date: 2nd Quarter, No Cost Associated*

**PROPOSED KEY PERFORMANCE INDICATORS – Administration and Support**

Measure	FY08 Actual	FY09 Target	FY09 YTD	FY10 Projection	FY11 Projection	FY12 Projection
% of complete contract files submitted on time to File Room	N/A	N/A	N/A	70%	80%	90%
\$ Value of surplus property recycled to District Agencies	\$1,997,327	\$650,000	\$638,298	N/A	N/A	N/A
\$ Amount of revenue generated from PPD sales	\$569,512	N/A	\$528,689	\$570,984	\$616,663	\$665,996
Total # of Purchase Orders processed by delegates*	N/A	N/A	N/A	N/A	N/A	N/A
Total \$ amount purchased by delegates *	N/A	N/A	N/A	N/A	N/A	N/A
% of ACO Participants who receive certification*	N/A	N/A	N/A	N/A	N/A	N/A
# web hits on the DC Vendor Guide wiki page *	N/A	N/A	N/A	N/A	N/A	N/A
# of newly active <sup>1</sup> vendors*	N/A	N/A	N/A	N/A	N/A	N/A
% of Vendor Inquiries/Complaints responded to within 2 days*	N/A	N/A	N/A	N/A	N/A	N/A

*\*FY10 will be a baseline year, no projection for out years.*

*<sup>1</sup>Active -vendor has been awarded contracts within the same year of new registration.*



## STANDARD CITYWIDE OPERATIONAL MEASURES

Measure	FY09 YTD
<b>Contracts</b>	
<b>KPI:</b> % of sole-source contracts	
<b>KPI:</b> Average time from requisition to purchase order for small (under \$100K) purchases	
<b>KPI:</b> # of ratifications	
<b>KPI:</b> % of invoices processed in 30 days or less	
<b>Customer Service</b>	
<b>KPI:</b> OUC customer service score	
<b>Finance</b>	
<b>KPI:</b> Variance between agency budget estimate and actual spending	
<b>KPI:</b> Overtime as percent of salary pay	
<b>KPI:</b> Travel/Conference spending per employee	
<b>KPI:</b> Operating expenditures "per capita" (adjusted: per client, per resident)	
<b>People</b>	
<b>KPI:</b> Ratio of non-supervisory staff to supervisory staff	
<b>KPI:</b> Vacancy Rate Total for Agency	
<b>KPI:</b> Admin leave and sick leave hours as percent of total hours worked	
<b>KPI:</b> Employee turnover rate	
<b>KPI:</b> % of workforce eligible to retire or will be within 2 years	
<b>KPI:</b> Average evaluation score for staff	
<b>KPI:</b> Operational support employees are percent of total employees	
<b>Property</b>	
<b>KPI:</b> Square feet of office space occupied per employee	
<b>Risk</b>	
<b>KPI:</b> # of worker comp and disability claims per 100 employees	



## *Performance Management Division (PMD)*

### **SUMMARY OF SERVICES**

The Performance Management Division is responsible for monitoring and improving OCP's performance. The Division provides consultative and technical support to agencies, vendors and OCP buyers while preserving financial and environmental resources. In addition, the Division administers the District's Purchase Card Program. PMD also develops, tracks and reports OCP's initiatives and performance indicators.

### **OBJECTIVE 1: Streamline and Simplify the Procurement Process.**

#### **INITIATIVE 1.1: Rollout of Sourcing and Contract Compliance Modules in PASS.**

The PMD will work with OCTO's Procurement Application Support team to install the Ariba Sourcing and Contract Compliance modules on the PASS system. Once these modules are installed, PASS users will be able create electronic sourcing events, provide online document collaboration with vendors, enforce contract ceilings, manage catalog activity and standardize grading of the award process. In addition, they will be able to track management milestones, contract compliance and vendor performance. The projected benefits of this initiative are increased data management capacity and integrity. *Date: Fall (Compliance Module – 1st Qtr.) Spring (Sourcing Module – 2nd Qtr.) FY10, approximately \$2.6 Million in Capital Funds*

#### **INITIATIVE 1.2: Establish COTRs for District-wide Term Contracts.**

Contract administration staff has focused on training and supporting Contracting Officer's Technical Representatives (COTRs) through the District and ensuring vendors are evaluated. Starting in FY10, as some significant term contracts are awarded, the contract administration staff will assume the role of COTR for term contracts that serve agencies district-wide. These contracts will include office supplies, furniture and temporary staff services. The goal of this initiative is to increase vendor accountability and provide effective contract administration for our District agencies.

*Deadline: 4th Quarter FY10, No Costs Associated*

### **OBJECTIVE 2: Increase Accountability through Transparency and Compliance with Governing Laws and Policies.**

#### **INITIATIVE 2.1: Expansion of the Vendor Evaluation Process.**

In FY09, the PMD introduced a web-based vendor evaluation process for agency COTRs and Contract Officers to ensure vendors are provided evaluations and final grades in accordance with "The Excellence in Local Business Contract Grading Act of 2008." This process was initially rolled out for contracts over \$100,000 only; however starting in FY10 it will now be expanded to include small purchase vendors as well. The goal of this initiative is to increase accountability within the vendor community. The projected benefit of this initiative will be the ability to document vendor problems to provide procurement staff with full information when resolving contract issues.

*Deadline: 4th Quarter FY10, No Cost Associated*





**INITIATIVE 2.2: Develop an Agency Procurement Indicator Report.**

Starting in FY10, the PMD will publish a Procurement Indicator Report similar to other cities across the nation. This report will provide the public with an in depth view of procurement within the District. Main highlights of the report will include “Who we are”, “What we buy” and “How we buy it”. This initiative is intended to increase agency accountability to District residents while promoting transparency in our operations.

*Deadline: 1st – 2nd Quarter FY10, No Costs Associated*

**INITIATIVE 2.3: Increase Public Access to Procurement Information.**

Currently, the OCP site on dc.gov has skeletal information about awarded contracts and only a handful of scanned “frequently requested contracts.” In late FY09, OCP purchased some high capacity scanners and OCTO has begun training the staff on prepping contract documents. Starting in FY10, OCP will systematically scan all contracts as files are submitted to the file room. In conjunction with OCTO and OAG, these files will be posted in a repository on dc.gov, so the public can view all contracts within weeks of being awarded. This initiative will help reduce the amount of time spent ensuring compliance with the Freedom of Information Act (FOIA), which enables public access to government records.

*Deadline: 1st Quarter FY10, No Costs Associated*

**OBJECTIVE 3: Provide Effective Customer Guidance and Education in a Responsive and Professional Manner.**

**INITIATIVE 3.1: Establish Vendor Support Infrastructure.**

In conjunction with the rollout of the Ariba Sourcing module, the PMD will work with the vendor community to become acclimated with the technical processes and enhanced features. The group will provide technical assistance to vendors during the electronic registration and solicitation response process on our PASS helpline. In addition they will develop marketing tools to educate the vendor community on the new process. This initiative is expected to simplify the procurement process for all stakeholders.

*Deadline: 3rd -4th Quarter FY10, No Costs Associated*

**PROPOSED KEY PERFORMANCE INDICATORS – Performance Management Division**

Measure	FY08 Actual	FY09 Target	FY09 YTD	FY10 Projection	FY11 Projection	FY12 Projection
# of Vendors evaluated*	N/A	N/A	N/A	N/A	N/A	N/A
% of Vendors receiving “F” grade on evaluations*	N/A	N/A	N/A	N/A	N/A	N/A
% of OCP customers rating OCP satisfactory or better	48.1%	65%	N/A	70%	75%	75%
PCard Utilization Rate	73.8%	80%	80%	85%	85%	90%
\$ of PCard Rebate	\$15,000	\$150,000	\$150,000	\$100,000	\$100,000	\$100,000

*\*FY10 will be a baseline year, no projection for out years.*



## *Office of Procurement Integrity & Compliance (OPIC)*

### **SUMMARY OF SERVICES**

Operating under its credo to drive “Accountability, Commitment & Transparency (ACT) Now”, the Office of Procurement Integrity & Compliance (OPIC) activities and programs are focused to:

- Initiate and conduct independent operational performance audits, inspections, and investigations of the District’s procurement operations.
- Serve as the principal liaison between the Office of Contracting & Procurement and the District’s Office of the Inspector General (OIG).
- Perform operational assessments and business process improvement reviews of existing and ‘Best Practices’ procurement functions.

### **OBJECTIVE 1: Increase Accountability through Transparency and Compliance with Governing Laws and Policies**

#### **INITIATIVE 1.1: Develop a Risk-Based Internal Controls Program.**

OPIC staff will develop a comprehensive, risk-based audit plan and program that will identify specific processes and areas to be reviewed. The goal is to develop OCP’s approach and methodology for identifying high risk procurement processes and areas that require auditing, compliance verification testing and management oversight.

*Date: 1st Quarter, No Cost Associated*

#### **INITIATIVE 1.2: Establish e-Delegation to Assess Procurement Professionals with Delegated Authority.**

The OPIC team is responsible for conducting audits and operational reviews of procurement professionals with delegated authority to ensure they are operating within their level of delegated authority and in a manner that is prudent, efficient and effective. As part of this effort and to coincide with the Agency Contract Officer (ACO) Certification program, in FY10 OPIC will develop a technology-based End to End (E2E) Delegation Process. The e-Delegation process will allow OCP to track those with delegated authority and monitor individual activity. The tool will help in the development of final deliverables for this initiative, as well as with the issuance of written annual audit reports.

*Date: 2nd – 3rd Quarters, No Cost Associated*

#### **INITIATIVE 1.3: Develop a Remediation Management Program.**

In FY10 OPIC will develop a repository to track all OCP-related remediation items identified in audits conducted by the Inspector General, GAO, DC Auditor, and CAFR auditors. Once weaknesses have been identified, OPIC will assist in the creation of action plans and ensure the issues are addressed with clear owners and deadlines. The remediation tracking system will also allow agency leadership to prioritize and hold staff accountable.

*Date: 1st – 2nd Quarters, Cost to be Determined*



**PROPOSED KEY PERFORMANCE INDICATORS – Office of Procurement Integrity & Compliance**

<b>Measure</b>	<b>FY08 Actual</b>	<b>FY09 Target</b>	<b>FY09 YTD</b>	<b>FY10 Projection</b>	<b>FY11 Projection</b>	<b>FY12 Projection</b>
# of Final Assessment Reports Issued	N/A	N/A	N/A	12	15	18
% of Agency Contracting Officer's (ACO) operations reviewed	N/A	N/A	N/A	100%	100%	100%
% of Targeted Remediation Items Cleared	N/A	N/A	N/A	90%	95%	100%
Average # of days to complete an operational review	N/A	N/A	32	20	15	10