



FY 2011 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 \$1.2 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

AGENCY WORKLOAD MEASURES

Measure	FY 2008	FY 2009	FY 2010 YTD
Total # of POs Processed through OCP	15,008	12,465	11,244
Total \$ Amount Purchased by OCP (in millions)	\$1,351	\$1,192	\$1,626



Procurement Division

SUMMARY OF SERVICES

The Procurement Division for OCP acquires goods and services for all District programs in accordance with the Procurement Practices 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: Implementation of Electronic Sourcing.

OCP has installed the Ariba Sourcing module, which went live in August 2010. The module will enable the District to expedite the creation of a solicitation and contract award by allowing vendor responses to be submitted electronically. Electronic Sourcing provides agency buyers with the ability to research, recruit, and manage suppliers, collect and analyze vendor responses, and make award decisions all within the tool. Participants in the procurement process will now have the benefit of increased communication, faster response times and going paperless, making this a “green” initiative. The anticipated results of this initiative are a streamlined procurement process, increased competition and compliance across the District government. OCP hopes to achieve 100% electronic sourcing by the end of FY11, starting with the training of agency buyers during the first quarter of the fiscal year.

Date: 4th 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: Expand Competition within the DC Supply Schedule (DCSS).

During the 4th quarter of FY10, OCP introduced new DCSS procedures that increased opportunities for the Certified Business Enterprise (CBE) community within the current law. The Procurement Practices Act (PPA) states that procurements under \$100,000 are required to be awarded to Small Business Enterprises (SBE). In the current DCSS structure, businesses are required to obtain large multi-million dollar contracts with the District to be included on the schedule, often to be awarded small dollar amounts in business. This process added unnecessary steps to the procurement process for both vendors and staff, and ultimately limited competition. Under the new DCSS procedures all SBEs who elect to be on the DCSS will be included, thereby eliminating the need for small businesses to obtain multi-million dollar contracts with the District prior to being awarded business. In addition to a simplified registration process, vendors will no longer have to pay a 1% fee on contract awards. Going forward, all businesses certified by the Department of Small and Local Business Development (DSLBD) will be able to compete



in the areas for which they can provide goods or services. The new process will revitalize the local economy by increasing opportunities for SBEs that may not have been able to compete in the past. OCP believes the new process will reduce procurement process times for staff and increase overall competition for small purchases in the District.

Date: 2nd Quarter, No Cost Associated

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

INITIATIVE 3.1: Revision of the 27 DCMR Regulations.

On January 29, 2010, Chief Procurement Officer (CPO) David P. Gragan introduced the Procurement Reform Act of 2010 to D.C. Council. The Act will make significant improvements to the current PPA, passed in 1985, in a variety of areas such as procurement authority, source selection methods, cost principles, contract types, procurement of infrastructure facilities and services, bonds and other forms of security, supply management, legal and contractual remedies, electronic transactions, and cooperative purchasing. The Act is expected to become law in fall 2010. Shortly thereafter, OCP's General Counsel will rewrite the 27 DCMR regulations to reflect best practices and streamline procedures promulgated under the new law. Date: 4th Quarter, No Cost Associated

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

INITIATIVE 4.1: Establish the Procurement Institute.

Upon passage of the Procurement Reform Act of 2010, OCP will establish the Procurement Institute for procurement education and training of OCP and non-OCP staff. The process began with the successful launch of initiatives like the Agency Contracting Officer's (ACO) certification program and Summer Internship Program (SIP) in FY10. In FY11, OCP will launch a yearlong procurement training program exclusively for OCP procurement professionals. Courses will be taught by our own procurement staff and occur on a monthly basis. Staff will share their expertise and knowledge on topics related to industry procurement best practices and OCP policies and procedures. In addition to the in-house courses, OCP will also offer financial assistance to procurement staff who wishes to obtain professional procurement certifications such as the Certified Professional Public Buyer (CPPB), offered by the Universal Public Purchasing Certification Council (UPPCC). The agency will cover the costs of exams and materials. OCP believes that a well informed professional staff and customer will make an efficient procurement process and is committed to making this investment in our future. Date: 4th Quarter, \$45,000



PROPOSED KEY PERFORMANCE INDICATORS – Procurement Division

Measure	FY2009 Actual	FY2010 Target	FY2010 YTD	FY2011 Projection	FY2012 Projection	FY2013 Projection
\$ Procurement Contract Cost Savings ¹ (GCE vs. Award Amt.)	Not Available	Not Available	Baseline	TBD	TBD	TBD
\$ Amount of Central Purchasing Office Purchases per FTE ² (in millions)	Not Available	Baseline	\$16.4	TBD	TBD	TBD
Total # of Term Contract Vehicles ³	104	18	2	Not Available	Not Available	Not Available
% of EPP Term Contract Vehicles	Not Available	44%	50%	50%	50%	50%
% of RFPs and IFBs receiving only one response	7%	10%	7 %	8%	6%	4%
Average # of days from Solicitation to Award for Invitation For Bids ⁴ (\$100,000 and above)	Not Available	Not Available	Not Available	TBD	TBD	TBD
Average # of days from Solicitation to Award for Request For Proposals (\$100,000 and above)	Not Available	Not Available	Baseline	TBD	TBD	TBD
Number of newly active vendors	2,137	2,000	1,747	2,000	2,000	2,000

¹ This is an industry standard. According to the FY07 ICMA Center for Performance Measurement the average Dollar Amount of Central Purchasing Office Purchases per FTE was \$14.1 Million based on responses from 54 jurisdictions. GCE is a Government Cost Estimate

² This is a base-year estimate. There are no projections for the out years.

³ OCP will assess the appropriate number of term contracts needed to meet the District’s needs on an annual basis. Therefore no out-year projections are available

⁴ FY11 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, 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: Streamline and Align OCP HR Processes with DCHR Regulations.

During the summer of 2010, ASD partnered with the OCP Procurement Summer Internship Program (SIP) to document the agency's HR processes and assess the need for automation. For three months the team of seven bright graduate and undergraduate students from colleges and universities across the nation worked with our internal HR staff to document what they do, how they do it and how long it takes. At the end of the internship, the team produced a full report of documented HR policies and produced an interactive hiring process map and procedures that made recommendations regarding inefficiencies in the hiring process. OCP plans to use SharePoint and Excel to automate certain parts of the on-boarding recruitment process such as candidate rating/rankings and notifications of interviews, rejections, and HR package transmission to DCHR. OCP believes this will reduce our hiring time from an average of 187 to 30 days and increase communication with candidates regarding their status in the hiring process. In addition, this will allow the agency to reduce the amount of paperwork associated with the process, making this another "green" initiative for OCP. Finally, OCP will have the District of Columbia Department of Human Resources staff participate in hiring panels going forward. Date: 2nd Quarter, No Cost Associated

INITIATIVE 1.2: Implement Cost Saving Measures.

OCP recognizes the need to conserve District funds during the current economic downturn and has sought out various ways to reduce costs in the coming fiscal years. In FY11, we plan to cut costs by reducing the amount of office space required from 44,000 sq ft to 20,000 sq ft. Extra space will be returned to the Department of Real Estate Services (DRES) saving OCP approximately \$250,000 a year. In addition to reducing our office space, we have explored opportunities to maximize the functionality of our current office equipment. The agency will be retiring six fax machines and installing EFax on office desktops. This will allow users to send and retrieve faxes via email. The cost of the software is nominal at approximately \$10 per line and reduces the need for investment in additional equipment, maintenance costs, toner, and paper, making this OCP's third "green" initiative. The estimated cost savings of retiring equipment and maintenance cost is approximately \$20,000 a year.

Date: 1st Quarter, \$100



OBJECTIVE 2: Provide Effective Customer Guidance and Education in a Responsive and Professional Manner.

INITIATIVE 2.1: Roll-out of OCP PASS Training.

Currently the Procurement Automated Support System (PASS) training managed by the Office of the Chief Financial Officer (OCFO) does not effectively highlight what requisitioners need to do to ensure a compliance with current procurement rules and procedures. In FY11, OCP staff will take over PASS training and offer courses that focus on the procurement process as well as the technical aspect of the system. As part of the curriculum, participants will be required to attend the Procurement 101 course for foundational knowledge prior to technical instruction. OCP will offer two classes a month for any interested District employee. In support of this effort, OCP has taken unused office space to build out a training facility within our headquarters. Date: 1st Quarter, \$20,000

PROPOSED KEY PERFORMANCE INDICATORS – Administration and Support

Measure	FY 2009 Actual	FY2010 Target	FY 2010 YTD	FY2011 Projection	FY2012 Projection	FY 2013 Projection
% of ACO Participants who receive certification	Not Available	80%	100%	100%	100%	100%
Total # of POs Processed by Agency Contracting Officers (ACOs) under \$25,000	Not Available	300	565	1,100	2,000	3,000
Total \$ Amount Purchased by Agency Contracting Officers (ACOs) under \$25,000 (in millions)	Not Available	\$2.0	\$5.2	\$10.0	\$20.0	\$30.0
\$ Value of Excess Property Recycled to District Agency	\$816,777	\$900,000	\$922,213	\$900,000	\$900,000	\$900,000
\$ Amount of revenue generated from PPD Sales	\$661,964	\$379,190	\$238,373	\$250,000	\$250,000	\$250,000

Performance Management Division (PMD)

SUMMARY OF SERVICES

*Office of Contracting and Procurement
Government of the District of Columbia*

*FY 2011 Performance Plan
Published October 2010*



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: Implement New Electronic Vendor Registration.

In conjunction with the roll out of the Ariba Sourcing module, OCP will introduce a new simplified vendor registration process. Vendors will be able to select all the goods and services they can provide and will receive invitations to relevant solicitations by using the Ariba Sourcing Module. Vendors will no longer have to check the agency website on a daily basis to learn about upcoming opportunities. Now the information will come directly to the vendor electronically. PMD technology staff will work with current vendors to ensure that they are registered to receive notifications during the initial roll out period. Thereafter, we will work with DSLBD to add this registration step to their current certification process. OCP believes that the new process will reduce time in the procurement award process, increase competition and reduce complaints regarding lack of rotation within the vendor pool.

Date: 1st Quarter, No Cost Associated

OBJECTIVE 2: Provide Effective Customer Guidance and Education in a Responsive and Professional Manner.

INITIATIVE 2.1: Establish an OCP Customer Service Unit.

OCP presently has different individuals responsible for agency customer service, vendor relations and public/media inquiries. Starting in FY11, OCP will join the responsibility areas into a full service customer service unit. In addition to responding to inquiries, the unit will be responsible for crafting internal and external communications, develop regular customer newsletters and oversee customer and OCP staff forums and special events. The unit will also be responsible for OCP's intranet, website and DCPedia site. The members of the team will be trained to respond to all types of inquiries and understand how to navigate calls that they are unable to address. Date: 2nd Quarter, No Cost Associated



PROPOSED KEY PERFORMANCE INDICATORS – Performance Management Division

Measure	FY2009 Actual	FY2010 Target	FY2010 YTD	FY2011 Projection	FY2012 Projection	FY2013 Projection
# of Vendors evaluated	153	200	174	350	500	750
% of Vendors receiving “F” grade on evaluations	5%	5%	N/A	4%	3%	1%
% of OCP customers rating OCP satisfactory or better* ⁵	44%	60%	N/A	75%	85%	95%
% of Purchasing Conducted with Purchasing Cards ⁶	Not Available	Baseline	1.1%	1.5%	1.5%	1.5%
Purchase Card utilization rate (based on total eligible purchases under \$2500)	82%	85%	94%	100%	100%	100%
\$ of PCard Rebate	\$175,874	\$100,000	\$127,190	\$100,000	\$100,000	\$100,000

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.

⁵ The Customer Service Survey is issued at the beginning of each fiscal year in October. Results for FY10 will not be available until the first quarter FY11.

⁶ This is an industry standard. According to the FY07 ICMA Center for Performance Measurement the average percentage of purchases conducted with purchasing cards is 4.41% based on the responses of 77 jurisdictions. Please note that the ICMA number does not account for differences in policy among different jurisdictions. For instance, OCP Purchasing Card Program is only eligible for purchases under \$2,500 which on average represent about 1.75% of total District purchases.



OBJECTIVE 1: Streamline and Simplify the Procurement Process

INITIATIVE 1.1: Improve Operational Efficiency through Technology and Process Enhancements.

OPIC has adopted for its use, SharePoint technology, which is enabling the team to leverage workflow and collaboration management to conduct fieldwork. In addition to SharePoint, OCP's enhancements and more efficient use of PASS will allow more transactions and supporting evidence to be retained electronically, which means audits can be performed remotely as opposed to traveling onsite to review hard copy files. In FY11 OPIC plans to synchronize existing technology across the agency to corroborate data among various systems. OPIC will also work with other agencies such as DCHR and OCFO to retrieve data that can be used in change management. In other words, systems will be able to trigger alerts in the procurement system when users leave the District, change positions and/or conduct transactions outside of their level of authority. OCP believes that by coordinating information we can identify inefficiencies in the process and prevent fraud. Date: 3rd Quarter, No Cost Associated

INITIATIVE 1.2: Expand the Summer Internship Program.

In June 2010 OCP launched its 12 week Summer Internship Program with seven interns in undergraduate and graduate programs from across the country. Interns in this program are eligible to receive academic credit while participating in a wide range of stimulating and developmental activities. Participants are assigned to projects within various functions of the agency with the expectation that they will document processes and procedures and make sound recommendations for improvements in the overall functionality of their assigned unit. The goal of the program is to leverage the talent of some of the brightest minds from across the country to address issues in procurement and improve agency efficiency without increasing cost. In FY10, the program was estimated to have saved OCP approximately \$110,000 in Personnel Services cost, as the interns were able to free up time for our permanent staff to focus on daily operations. In FY11, OCP plans to expand membership in the program by three additional students, making the next cohort a total of 10 students. In addition to expanding our existing program, OCP will be working with Catholic University to create "OCP on Campus". OCP is exploring a partnership with the university that would allow OCP staff to teach a course in their Master of Science Business Analysis Program. During the course a cohort of 15 students will participate in internships with OCP and/or other interested District partners. Date: 4th Quarter, No Cost Associated

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

INITIATIVE 2.1: Expand the use of the Risk-based Internal Control Program.

In late 2009, OPIC developed a methodology for identifying high risk procurement processes and areas that require auditing, compliance verification testing and management oversight. This



comprehensive risk-based audit program focuses on three critical elements that drive operational efficiency, people, processes and technology. In FY11 OPIC will share their program with all independent agencies. OCP's Chief Procurement Officer believes that by sharing best practices we will create more consistency in the procurement process across the District.

Date: 1st Quarter, No Cost Associated

PROPOSED KEY PERFORMANCE INDICATORS – Office of Procurement Integrity & Compliance

Measure	FY2009 Actual	FY2010 Target	FY2010 YTD	FY2011 Projection	FY2012 Projection	FY2013 Projection
# of Final Assessment Reports Issued	Baseline	12	Not Available	15	18	21
% of Agency Contracting Officer's (ACO) operations reviewed	Baseline	100%	Not Available	100%	100%	100%
% of Targeted Remediation Items Cleared	Baseline	90%	Not Available	95%	100%	100%
Average # of days to complete an operational review	32	20	Not Available	15	10	5
% of Vendor Protest sustained or resulting in corrective action ⁷	Not Available	Baseline	22%	21%	21%	21%

⁷ This measurement is an industry standard. According to the FY2007 ICMA Center for Performance Management Comparative Performance Measurement report the average percentage of protests sustained is 21 percent. This number is based on responses from 27 jurisdictions across the country including Washington, D.C.