



FY 2014 PERFORMANCE PLAN Office of Contracting and Procurement

MISSION

OCP's mission is to procure quality goods and services through a streamlined procurement process that is transparent and responsive to the needs of government agencies and the public, and ensures all purchases are conducted fairly and impartially.

SUMMARY OF SERVICES

OCP purchases an average of \$1.1 billion in goods and services per year on behalf of over 74 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 DIVISIONS¹

- Procurement Division
- Administration and Support Division
- Procurement Technology Division
- Procurement Integrity and Compliance Division
- Agency Management²

AGENCY WORKLOAD MEASURES

Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual ³
Total number of purchase orders processed through OCP	7,283	7,989	8007
Total dollar amount purchased by OCP (in millions)	\$1,378	\$1,260	\$1,336
Total dollar amount awarded to CBE firms ⁴ (in millions)	163	155	210

¹ On November 19, 2013, OCP updated its organizational structure to six (6) divisions including the: Procurement Division, Operations Division (formerly the Administration and Support), Procurement Integrity and Compliance, Business Resources and Support Services, Training Division, and the Procurement Technology Division.

² The initiatives and objectives for Agency Management are embedded within initiatives and objectives of the entire agency and involve cross-cutting functions. It includes the Chief Procurement Officer (CPO), the CPO's Executive Assistant, the Public Information Officer and the Freedom of Information Act Specialist who formally reports to the Office of the Attorney General.

³ Includes agencies under the authority of the Chief Procurement Officer as of September 30, 2013

⁴ This amount represents those purchase orders in PASS, for OCP Agencies, where the supplier was identified as a Local, Small, Disadvantaged (LSDBE) Enterprise. District law mandates that 35% of all contract awards exceeding \$250,000 [with certain exceptions] be subcontracted to LSDBE firms as well. The number and value of these subcontracts, while significant, is not captured by PASS.



Procurement Division

SUMMARY OF SERVICES

The Procurement Division for OCP acquires goods and services on behalf of District government agencies under the authority of the Chief Procurement Officer, in accordance with the Procurement Practices Reform Act, District Code, and the 27DCMR. OCP practices are guided by industry best practices, the highest level of customer service, and the efficient, effective and economical expenditure of public funds.

OBJECTIVE 1: Complete all procurements, from small purchases to complex Requests for Proposals (RFPs), as fairly and efficiently as possible.

INITIATIVE 1.1: Reduce cycle times by requiring the use of E-Sourcing.

The Office of Contracting and Procurement (OCP) continues to increase and support the usage of E-Sourcing by District government agencies. E-Sourcing provides vital tracking information and ensures that all of the required steps in the procurement process are followed and documented. Use of E-Sourcing reduces cycle time by giving online access to vendors. E-Sourcing also provides a central repository for documents and correspondence associated with procurements.

In FY13, OCP trained agencies and provided oversight to increase the usage of E-Sourcing for all procurement methods. However, OCP quickly observed that applying its usage to Sole Source, Emergency, DCSS, and Exempt from competition procurements caused procedural inefficiencies and usage plateaued at approximately 23%.

In FY14, OCP will build upon the accomplishments and lessons learned in FY13 to continue to increase the usage of E-Sourcing. Completion Date: **September 30, 2014**

INITIATIVE 1.2: Increase the utilization of term contracts.

In FY14, OCP will continue a multi-year initiative to increase the use of term contracts. Term contracts are an efficient and cost-effective method for buying goods and services where there is a frequent or widespread need coupled with unpredictable, yet considerable, volume. The establishment and use of term contracts is a procurement best practice. Consistent with 27DCMR §2416.1, OCP defines term contracts to include all Requirements and Indefinite Quantity contracts. This definition encompasses District of Columbia Supply Schedules (DCSS) contracts. DCSS contracts provide even greater benefits because they reflect the pricing used by the General Service Administration (GSA). As a result, DCSS contracts reduce costs, while catering to the small and local business community. Completion Date: **September 30, 2014**



INITIATIVE 1.3: Increase utilization of the Contracts Module.

OCP will fully utilize the capabilities of the Contracts Module, which is the repository for awarded contracts in the Ariba Spend Management System. After award, procurement staff populates and publishes a contract in the PASS Contracts Module. Once a contract is published, the designated Contract Administrators receive automated e-mails that link them directly to the corresponding electronic performance evaluations (E-Vals). Similarly, a published contract creates automatic reminders for designated procurement staff to exercise option years, and maintain other critical and time-sensitive requirements of the contract.

In FY13, OCP issued several directives requiring that all contracts be loaded into the Contracts Module. Though loaded, OCP oversight has revealed that the majority of contracts lack a “Published” status, which is required to fully utilize the automated E-val and maintenance capabilities of the Module. In FY14, OCP will review all contracts in the Contracts Module to ensure the contract status is accurate and the subsequent automated procedures are working properly. Completion Date: **June 30, 2014**

OBJECTIVE 2: Increase revenue generated and collected by the District.

INITIATIVE 2.1: Increase revenue generated by the District of Columbia Supply Schedule (DCSS).

In FY14, OCP will migrate the application and management process of all DCSS contracts to E-Sourcing. OCP attempted to accomplish this same goal in FY13, however, technical constraints and unexpected procedural inefficiencies resulting from the initiative thwarted progress. OCP is working with its IT process partners to address these inefficiencies and re-engage this initiative.

Utilizing E-Sourcing will ensure that key data and other information are captured and tracked. OCP will utilize this data to develop a system of billing for DCSS vendors required to pay a 1% fee on all awarded purchase orders. System-driven tracking of DCSS purchases will allow OCP to track DCSS purchases more accurately, thus maximizing DCSS fee collections. Completion Date: **September 30, 2014**

OBJECTIVE 3: Use the District government’s purchasing power to support sustainability objectives and serve as model to other large institutions in the District (Sustainable DC Plan Actions FD3.6, JE1.3, and WS2.1).

INITIATIVE 3.1: Increase government and institutional procurement of local foods (Sustainable DC Plan Action FD3.6).

In FY14, OCP will work with the Office of Planning (OP), the Sustainable DC initiative, and other agency partners to research best practices and the feasibility of implementing a District local purchase program. OCP will work with District programs that purchase large amounts of food to research sustainable and local best practices and opportunities. Completion Date: **September 30, 2014**



INITIATIVE 3.2: Use anchor institutions to create local markets for sustainable enterprises (Sustainable DC Plan Action JE1.3, and WS2.1).

Over the next year, OCP will participate in local and national networks to better understand its influence on local markets for sustainable enterprises. OCP will create a strategy for leveraging the District's spending power as a sustainable model for other institutions in the city and as well research best practices and the feasibility of implementing a District product stewardship program as a part of the Sustainable DC Plan. Completion Date: **September 30, 2014.**

KEY PERFORMANCE INDICATORS – Procurement Division

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual ⁵	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Dollar amount of Central Purchasing Office purchases per FTE (in millions) ⁶	\$27.0	\$30.0	\$23.95	\$35.00	\$37.5	\$38.0
Percent of solicitations processed through e-Sourcing	NA	100%	23.3%	85%	90%	95%
Number of Term Contracts ⁷	5	13	157	160	160	160
Dollar amount of procurements using Term Contracts (in millions)	\$10.6	\$11.0	\$17.2	\$12.0	\$12.5	\$13.0
Percent of dollars awarded to CBE firms (operating)	12.44%	NA	16.2%	16.0%	18%	20%
Percent of contracts ⁸ awarded to CBE firms (operating) ⁹	22.3%	NA	26.7%	50%	50%	50%

⁵ As of June 30, 2013

⁶ According to the FY11 ICMA Center for Performance Measurement the average dollar amount of Central Purchasing Office purchases per FTE was \$11.9 million based on responses from 32 jurisdictions with populations above 100,000.

⁷ As of September 30, 2013

⁸ For reporting purposes, OCP defines a contract as any purchase order equal to or exceeding \$100,000.

⁹ See footnote 4. A major, but unknown portion of LSDBE spending is attributable to subcontracting, which is not captured by PASS.



Administration and Support Division¹⁰

Summary of Services

The Administration and Support Division (ASD) provides the foundation for the Office of Contracting and Procurement (OCP). ASD provides operational and administrative support to all the programs in OCP. Programs under this division include: Support Services, Surplus Property Division (SPD), Customer Service and Communications, Resource Management, and Procurement Training.

OBJECTIVE 1: Increase the knowledge base of procurement personnel to improve the overall performance consistent with the CPO theme of accountability, collaboration and efficiency.

INITIATIVE 1.1: In FY 2014, OCP shall develop and deliver a formal, standardized procurement training curriculum through OCP's training center, the Knowledge Plus Institute (KPI), to train and certify OCP staff to execute District procurement. OCP will continue our partnership with University of the District of Columbia (UDC), DCHR and other external experts to develop and certify the procurement curriculum and the tiered certification program. This initiative is a holdover from FY2013 and was not started due to administrative changes at UDC. Completion Date: **September 30, 2014**

OBJECTIVE 2: Expand the revenue generating capacity of the Personal Property and Surplus program.

INITIATIVE 2.1: Increase the quality and value of surplus services by maximizing the use of the online auction platform and expanding the equipment re-utilization activities of the Personal Property and Surplus program.

For the past several years, OCP has been working to increase the quality and value of surplus services. In FY14, OCP will continue to expand the asset recovery program by increasing revenue an additional 10% through an e-commerce marketing program, expanded in-person training for agency property officers, and targeted outreach efforts to the non-profit community. This is an ongoing initiative.

Completion Date: **September 30, 2014**

INITIATIVE 2.2: Train agency property officers on the Federal reutilization website, GSAXCESS.gov.

OCP has collaborated with its federal partners to give District agencies access to the federal surplus property system called GSAXCESS.GOV. This web based system gives District agencies access to federal surplus property on a global platform for District usage. OCP will train 30 agency property officers on the federal reutilization program and will continue its efforts to leverage federal resources that provide District agencies with acquisition solutions that produce maximal relief to the environment.

Completion Date: **September 30, 2014**

¹⁰ The functions of this division have been integrated into the Operations Division. See footnote 1.



KEY PERFORMANCE INDICATORS — *Administration and Support Division*

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Amount of revenue generated from surplus property (millions)	\$3.85	NA	\$3.8	\$3.8	\$3.9	\$4.0
Number of certified non-profits using SPD program ¹¹	65	90	78	85	90	90
Number of agency property officers trained on the federal reutilization website; GSAXCESS.gov. ¹²	NA	NA	NA	20	15	10
Number of additional vendors in Sourcing Module ¹³	1628	375	1841	750	500	300 ¹⁴
Percent of Customer Service quality and speed criteria achieved for all calls ¹⁵	NA	Baseline	95%	95%	95%	95%

¹¹ Includes 17 Federal “8A” entities

¹² This is a new performance measure for FY 2014; therefore, no historical data is available

¹³ As of September 30, 2013

¹⁴ The projections reflect an anticipation of a saturated vendor base. The number of new vendors added, declines in later years because OCP anticipates, as use of the E-Sourcing module expands to encompass more agencies and different types of procurement actions, the vendor population will peak, with slower growth shown.

¹⁵ OCP’s Customer Service Center has been moved to the Operations Division.



Procurement Technology Division

Summary of Services

The Procurement Technology team works closely with senior management and the Office of the Chief Technology Officer (OCTO) to implement the latest technologies to promote transparency and accountability to achieve the best results. The team supports existing IT systems (via system maintenance, enhancements, and help desk support) and assists in the development and implementation of new IT systems, such as: multiple web applications, databases, and websites.

OBJECTIVE 1: Use technology to streamline and provide quality contracts and procurements.

INITIATIVE 1.1: Identify enhancements and new technologies to support OCP staff, vendors, and agencies.

In FY13, OCP implemented new technology in the areas of: Procurement Planning; Electronic Sourcing; Electronic Vendor Responses; Contract Module; and Contract Administration. In FY14, OCP will continue to identify enhancements and more efficient use of PASS and Ariba e-Sourcing applications. OCP will also utilize the latest technologies that are already in place to create a best in class contracting and procurement process that is efficient and transparent. OCP will identify whether additional support / training is needed for the applications, or will make distinctions between business process re-works, data and code change. Completion Date: **September 30, 2014**

OBJECTIVE 2: Use technology to improve transparency and compliance with governing laws and policies.

INITIATIVE 2.1: Enhance PASS system and develop new Business Intelligent tools to better provide effective distribution of regulations, procedures and processes to OCP staff, agencies and vendors.

In FY13, OCP Technology Division implemented multiple enhancements to the current PASS system to allow automated updates to the OCP's internet and intranet sites to better meet the requirements of the PPRA and overall transparency. For FY14, OCP Technology will develop better business intelligence tools, such as Operation Dashboards, automated update of contract award documents to the internet in real time. Completion Date: **September 30, 2014**



KEY PERFORMANCE INDICATORS – Procurement Technology Division

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual ¹⁶	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Percent of total number of issues resolved from all customers within 8 business hours (HELP DESK) ¹⁷	NA	90%	94%	95%	95%	95%
Percent of total number of intranet and internet updates completed within 24 business hours	NA	80%	98.3%	80%	80%	80%
Percent of vendor management approvals completed within 24 business hours	NA	90%	97.3%	90%	90%	90%

¹⁶ Actual for FY 2013

¹⁷ According to the FY11 ICMA Center for Performance Measurement, the mean performance for this metric is 77.1% (for jurisdictions with populations exceeding 100,000)



Office of Procurement Integrity & Compliance (OPIC)¹⁸

SUMMARY OF SERVICES

The Office of Procurement Integrity and Compliance (OPIC) provides a full complement of Audit and Non-Audit advisory services to agency leadership, staff and affected stakeholders. Non-Audit services primarily consist of administering the agency's Deficiency Remediation and Performance Monitoring programs. Also noteworthy is the expansion of Non-Audit services to include 'real-time' 'better practices' research and market analyses. In February of 2013, OPIC assumed responsibility for managing OCP's paper-based records management program, which includes facilitating stakeholder access to legacy and active contract files, safeguarding these records, and systematically purging/archiving documentation consistent with the District's records retention policies.

OPIC audit activities are premised on a '3-D' approach (Deterrence, Detection and Disruption) to help reduce risk exposures and strengthen management controls. In collaboration with the agency's training division, Deterrence consists of the preparation of content derived from audit findings for use in annual and year-round training and remedial programs. Detection includes a mix of field inspections, performance and operations audits and compliance reviews. Finally, Disruption encompasses collaboration with applicable District agencies to prevent fraud, waste and abuse in procurement operations.

OBJECTIVE 1: Increase compliance with District procurement laws and regulations by implementing targeted expansions to the Audit and Compliance Program.

INITIATIVE 1.1: Efficiency and economy audits/compliance reviews of operational support functions.

Introduced in FY 13, these audits/reviews are designed to objectively assess and report on goal attainment relative to initiatives and Key Performance Indicators (KPIs) detailed in the Performance Accountability Report (PAR) submitted to the Office of the City Administrator, Council and Congress. In FY14, this activity will continue with particular focus on records management procedures, practices and controls. Completion Date: **September 30, 2014**

INITIATIVE 1.2: Assure the quality and sustainability of audit operations/ Annual Quality Assurance Reviews of Audit Operations.

To ensure that OPIC maintains and builds on the satisfactory rating of its audit operations¹⁹ internal evaluations will continue to ensure that the quality of audit or compliance review engagements and other non-audit services are performed consistent with the professional governing standards embodied in the Generally Accepted Government Auditing Standards (GAGAS). These reviews will include post-engagement evaluations of audit execution and documentation, external benchmarking of the internal audit process, and the use of an array

¹⁸ The Office of Procurement Integrity & Compliance has been re-aligned under OCP's new Operations Division see footnote 1

¹⁹ In August of 2011, ALGA deemed OPIC audit operations to be satisfactorily complying with auditing standards



of metrics for measuring auditor performance. Consistent with GAGAS, OPIC's Peer Review is scheduled for August-September of 2014. Completion Date: September 30, 2014

KEY PERFORMANCE INDICATORS²⁰ – Office of Procurement Integrity & Compliance (OPIC)

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual ²¹	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Number of Procurement Integrity and Compliance Division (OPIC) Reviews and Audit Reports Issued ²²	389	225	241	150	150	150
Average number of days to complete a Compliance Review/Audit	8.6	14.0	20.0	30.0	30.0	30.0
Percent of Sole Source, Emergency and Million Dollar Contracts Audited ²³	100%	100%	100%	100%	100%	100%
Percent of OCP Contracting Officer Delegations Reviewed/Audited	100%	100%	64.29%	100%	100%	100%
Percent of Agency Contracting Officer (ACO) Delegations Reviewed / Audited ²⁴	23.8%	20.0%	8.7%	100%	100%	100%

²⁰ All objectives and initiatives adhere to Generally Accepted Government Auditing Standards (GAGAS) established by the Comptroller General of the United States. These professional standards provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence.

²¹ As of June, 2013

²² OPIC has adopted a monthly reporting cadence to accommodate the increased scope and complexity of its mandate. Records management functions for the agency were added to the division in FY13; the policy recommendation to audit all active delegations in FY14 and beyond, necessitates the reallocation of resources and adjustments to audit schedules

²³ This was a new performance measure for an audit program initiated in FY12; therefore, prior year data are not available

²⁴ Same as footnote 21