Office of Contracting and Procurement
OCP *(PO)*

MISSION

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

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.

AGENCY OBJECTIVES

1. Streamline and simplify the procurement process
2. Support customer agencies in a responsive and professional manner that is in full compliance with governing laws and policies.
3. Increase the quality and value of goods and services procured by maximizing the use of the competitive market place.

ACCOMPLISHMENTS

✓ Proposed three key reforms to the District procurement law: Debarment and Suspension Procedures Amendment Act of 2009; Procurement Practices Amendment Act of 2009; and Placement of Orders with District Departments, Offices and Agencies Amendment Act of 2009. The reforms will allow the District to respond quickly to vendor malpractice, increase competition, reduce the cycle time for Request for Proposals and Invitation for Bids, and eliminate non-value-added steps.

✓ Furthered its effort to delegate contracting authority (up to $25,000) to agencies, a public procurement best practice. In late FY09 the first cohort, from seven agencies, began an eight-week Agency Contract Officer Certification Training program.

✓ Earned the National Institute of Governmental Purchasing, Inc. Outstanding Agency Accreditation Award signifying that OCP utilizes best practices and is at the top in the industry.

OVERVIEW OF AGENCY PERFORMANCE
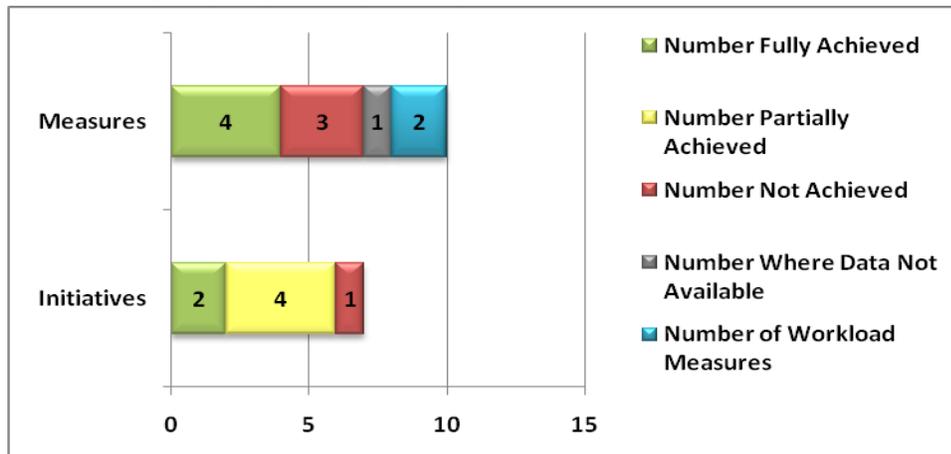
Performance Initiatives – Assessment Details

Performance Assessment Key:

🟢 Fully achieved   🟡 Partially achieved   🔴 Not achieved   ⚪ Data not reported

OBJECTIVE 1: STREAMLINE AND SIMPLIFY THE PROCUREMENT PROCESS

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INITIATIVE 1.1: Double the number of term contracts established, with a focus on environmentally preferred products, and simplify the ordering process.
The expansion of city-wide orderable contracts, referred to as term contracts, is critical effort that will allow OCP to significantly reduce procurement cycle times and costs. OCP currently has approximately 100 active city-wide term contracts. However, while these contracts fit our definition, they do not include the key areas of concentrated purchases across the District, other than our Information Technology Staff Augmentation (ITSA) contract. As a result, the current inventory of term contracts did not provide OCP with an opportunity to incorporate Environmentally Preferred Purchasing (EPP) specifications. There have been delays in awarding the strategic term contracts in FY09, so the impact and benefits of these types of contracts will not be fully realized until FY10.

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INITIATIVE 1.2: Implement PASS Contract Compliance module.
OCP is eagerly anticipating the implementation of this new PASS module. The contract was awarded in December 2009 and the implementation should be completed by the third quarter of FY10.

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INITIATIVE 1.3: Simplify DC Supply Schedule-related processes and introduce orderable schedules of standard items in PASS.
Due to agency priority changes for FY09, a number of the initially planned process improvements related to the DC Supply Schedule were not implemented.

OBJECTIVE 2: SUPPORT CUSTOMER AGENCIES IN A RESPONSIVE AND PROFESSIONAL MANNER THAT IS IN FULL COMPLIANCE WITH GOVERNING LAWS AND POLICIES.

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INITIATIVE 2.1: Improve file management practices including implementing new file quality assurance procedures, expanding file room capacity, and auditing for file completion.
Incomplete and missing procurement files have been a recurring audit finding for OCP. During FY09 OCP successfully addressed this issue by implementing a number of key changes. OCP designed a new file room database to track files checked in and out of the file room. OCP introduced a new contract file management process which includes revised checklists and management reports to ensure that the procurement staff is complying with file management procedures. OCP hired a dedicated and experienced file room manager.   During FY09, OCP also began using PASS electronic records as the official file of record for small purchases (under $100,000), including a scanned archive of all related documents. Finally, OCP purchased new high capacity file cabinets that allows files to be more easily accessed and eliminates the need

for off-site storage.

INITIATIVE 2.2: Establish new standards of customer service.
OCP has made significant progress in customer service during FY09 in the following areas:
1. Eighty three percent (83%) of PCard users stated that they were satisfied with the service of the PCard Management Team during FY09 in our PCard Customer Satisfaction Survey.
2. OCP introduced a monthly Procurement 101 course for District employees, which provides participants with a general understanding of public procurement and OCP processes.
3. OCP introduced a *DCPedia* (wiki) site for agency customers. At this site, customers are able to obtain basic information about the procurement process and required lead times, procurement forms and templates, sample statements of work and can view profiles of the "People Behind Procurement".
4. OCP established a Vendor Portal on the OCP website. Now vendors have a place where they can view upcoming business opportunities and requirements, contract awards and links to other helpful procurement websites.

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.
OCP has worked to increase the quality and number of vendors doing business with the District through three specific areas:

1. Legislative Reform - As mentioned previously, OCP introduced a number of legislative reforms including the "Debarment and Suspension Procedures Amendment Act of 2009" (Law 18-062) which established the Chief Procurement Officer as the District official solely responsible for debarring and suspending contractors. This amendment eliminated the need for a panel review, thus enabling the District to act quickly on behalf of taxpayers in cases of contractor malpractice and/or non-compliance with procurement laws.

2. Enhancements to the Vendor Evaluation Process - OCP's enhanced Vendor e-Val system is an automated tool that holds both Contracting Officer Technical Representatives (COTRs) and vendors accountable, ensuring poor vendor performance issues are raised early and documented clearly. The system automatically sends reminders to COTRs to perform vendor evaluations online on a monthly basis. Evaluations that reflect a vendor is not complying with the terms of the contract are forwarded to the contracting officers for awareness and follow up. Contracting officers issue final grades to vendors upon completion of the contract. Vendors receiving a final grade of "F" are suspended for one year.
3. Vendor Outreach and Education Activities - During FY09 our Vendor Relations Group has worked tirelessly to Respond, Recruit and Retain new District contractors through outreach and educational activities. One of our most popular outreach events has been the monthly Procurement Awareness Roundtable Series. During the roundtables, vendors are invited to meet with OCP procurement staff to learn about upcoming procurement opportunities and address any questions or concerns they may have about doing business with the District. These events are free of charge, held on a bi-monthly basis and feature an agency speaker who discusses their procurement needs. As part of our vendor educational effort, OCP provides Marketing Best Practices Tips for contractors seeking to do business with the District on our website.

INITIATIVE 3.2: Implement an electronic sourcing process to allow vendors to view and respond to solicitations online.
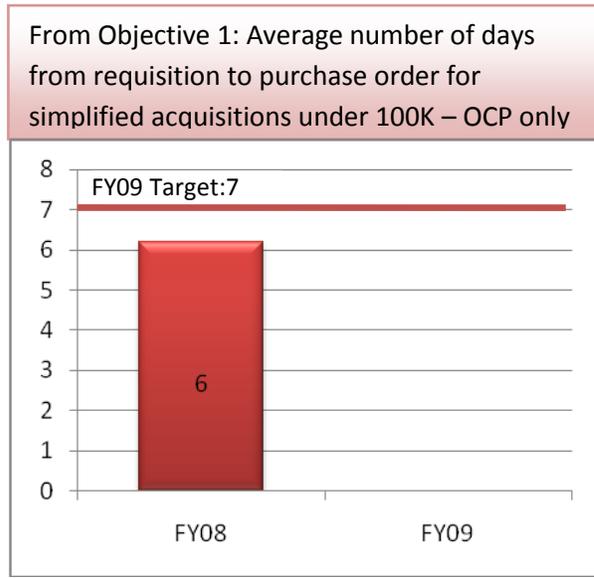
- OCP is eagerly anticipating the implementation of this new PASS module. The contract was sent to Council for approval 11/24/09. We anticipate that work will begin in the second quarter of FY10.

Key Performance Indicators – Highlights

From Objective 1: Purchase card utilization rate (based on total purchases $2,500 and below)

Purchase card utilization rate chart:
- FY09 Target: 80%
- FY07: 53.6%
- FY08: 73.8%
- FY09: 81.5%

FULLY ACHIEVED

From Objective 1: Average number of days from requisition to purchase order for simplified acquisitions under 100K – OCP only

Average days chart:
- FY09 Target: 7
- FY08: 6
- FY09: (no bar)

NO DATA REPORTED

More About These Indicators:

How did the agency's actions affect this indicator?

- Began working with a new credit card bank and implemented changes to the Purchase Card Program to increase usage and rebate levels:
  - Absorbed the travel card program to eliminate redundant administration.
  - Automated the transaction review and approval process to improve controls.
  - Rewrote procedures to remove undue steps.
  - Offered extensive cardholder support and training including forums, hands-on computer classes, DCPedia tips and templates, and a dedicated hotline and email address.
  - Moved payment timing to eliminate late fees and card shut offs. Quick payments also increased rebates from approximately $15,000 to $200,000 per year.

What external factors influenced this indicator?

- Enforcement of 2006 Mayor's Order mandating card usage for micro-purchases.

How did the agency's actions affect this indicator?

- Although the actual data is not reportable, there were relevant changes to the procurement process.
- Eliminated the requirement to create and maintain paper files for small purchases (under $100,000) and now uses the automated procurement system (PASS) as its file of record.
- Two factors have influenced the cycle time in a negative direction, although ultimately increased the level of competition and enhanced procurement controls:
  - CPO issued a policy requiring three written quotes; law only requires three solicitations and allows oral quotes up to $25,000.
  - Procurement Practices Amendment Act of 2009 reduced the single quote limit from $10,000 to $5,000, which increases the workload of buying staff.

What external factors influenced this indicator?
None.

Key Performance Indicators – Details

Performance Assessment Key:

🟢 Fully achieved   🟡 Partially achieved   🔴 Not achieved   ⚪ Data not reported

		Measure Name	FY2008 YE Actual	FY2009 YE Target	FY2009 YE Actual	FY2009 YE Rating	Budget Program
⚪	1.1	Average # of calendar days from requisition to purchase order for simplified acquisitions[1]*	6.2	7		N/A (see note below)	CONTRACTING
🔵	1.2	Total # of POs processed through OCP	15008	13000	14060	No rating[2]	CONTRACTING
🔵	1.3	Total $ amount purchased by OCP	$1,351	$1,300	$857.78	No rating[2]	CONTRACTING
🟢	1.4	Total # of term contracts	26	52	104	200%	CONTRACTING
🟢	1.5	Purchase Card utilization rate (based on total purchases under $2500)	73.8%	80%	81.49%	101.86%	CONTRACTING
🔴	2.1	% of OCP customers rating OCP satisfactory or better	48.1%	65%	43.59%	67.06%	CONTRACTING
🔴	2.2	# of vendor protests sustained or resulting in a	0	1	3	33.33%	CONTRACTING

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[1] OCP is no longer reporting cycle time data from PASS Buyer. The Buyer module currently tracks "approvals" and was not built to track process cycle times. Extensive review of the data revealed that there are too many anomalies and variables that fail to provide accurate and replicable cycle time data. In FY10, OCP will track cycle time for contracts over $100,000 through its Contract Awards Database until the Contract Compliance module in PASS is fully implemented.

[2] These measures track activity levels of OCP and are driven by requisitions and budgets of the agencies served by OCP. The "targets" are primarily estimates for the upcoming year rather than goals against which the agency's performance is assessed.

		corrective action						
🟢	3.1	% of RFPs and IFBs receiving one response	13.6%	12%	7.02%	171%	CONTRACTING
🔴	3.2	# of newly registered vendors[3]	1097	1000	491	49.10%	CONTRACTING
🟢	3.3	$ Value of excess property recycled to a District agency	$1,997,327	$575,000	$816,776.95	142.05%	PERSONAL PROPERTY

[3] OCP revised the vendor registration process during FY09 and now has vendors register through the ARIBA Supplier Network (ASN) rather than a standalone database. The ASN registration feeds to our automated procurement system (PASS) and will allow OCP to use this vendor information when it rolls out the automated sourcing module in FY10. The reduction in registered vendors is due to the higher standards that are now required for registration, including email address and Dun and Bradstreet number.