



Office of Contracting and Procurement OCP (PO)

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.

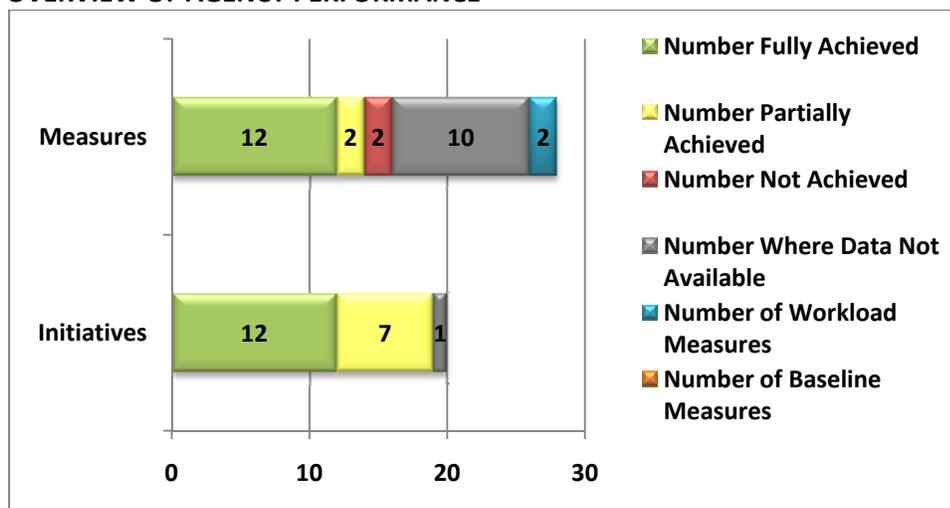
SUMMARY OF SERVICES

OCP purchases approximately \$1.5 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.

ACCOMPLISHMENTS

- ✓ Reduced size of Agency by 35%, eliminating the conflict of interest created by having contractors serve as contract specialists.
- ✓ Established the District Vendor Advisory Council, which meets quarterly with OCP to provide valuable insight on how policies and regulations affect the business environment.
- ✓ Eliminated unauthorized commitments (ratifications) which had been occurring at the rate of hundreds per year for many years.

OVERVIEW OF AGENCY PERFORMANCE





Performance Initiatives – Assessment Details

Performance Assessment Key:

-  Fully achieved  Partially achieved  Not achieved  Data not reported

PROCUREMENT DIVISION

OBJECTIVE 1: STREAMLINE AND SIMPLIFY THE PROCUREMENT PROCESS

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

The IFB process time based on a sample set of contracts in 2009 what estimated to be up to 100 days. OCP and the Office of the City Administrator launched a project to review the IFB process and reduce barriers in expediting these types of bid awards without impacting competition and/or quality of the bids. OCP was able to reduce the cycle time for IFBs from 60 days to 35 days by a combination of legislative, physical infrastructure and system changes. The Six Sigma project team developed a time-line that at best presented wait times that did not add value to the process including: 5 to 10 days delays in bid opening due to on-line video streaming constraints, 30 day in street bid wait time and between 3 to 6 days Clean Hand assessment time. OCP made the following changes: purchased a mobile video streaming device whereby bids can be opened from any conference room; requested and was granted legislative change to reduce the street wait time of bids from 30 to 21 days and through negotiations with Office of Tax and Revenue and Department of Employment Services implemented an automated process to check the “Clean-Hands” status of vendors bidding.
- **INITIATIVE 1.2: Implement PASS Contract Compliance module.**

In December 2009, OCP awarded the contract for the implementation of the ARIBA Contract Compliance (ACC) module, which will serve as a centralized repository of all District contract information. As of January 2010, OCP, OCTO and the vendor initiated the implementation kick-off. Throughout FY2010, and into early FY2011, the implementation phases will progress, beginning with and continuing to include: (1) Defining the User Requirements; (2) Customizing & Developing the system; (3) Conducting User Testing; and (4) Implementation (which includes both a communication and training plan for users). PASS users are now able to track management milestones, contract compliance and vendor performance. The projected benefits of this initiative are increased data management capacity and integrity.

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.**

In the spring of 2010 OCP conducted a "voluntary price reduction" project during which key vendors were contacted and were given an opportunity to offer price reductions to their District customers. The project generated over \$850,000 in savings for the agencies involved. This was a one-time project and would not be viable for ongoing efforts.
- **INITIATIVE 2.2: Foster Sustainable Procurement Initiatives within the District.**



EPP attributes have been embedded in ten solicitations and contracts including Paper, Office Supplies, Business Cards, Envelope and Letter Head, Remanufactured Toner Cartridges, Computers (Notebooks, Monitors and CPU), Janitorial Services, Consolidated Maintenance and Copiers. These solicitations/contracts are in varying stages of review. OCP has been in contact with agency counterparts and continues to review forthcoming solicitations to seek out contracts that can be made "greener." OCP has provided guidance on DRES's Consolidated Maintenance contract, and automotive contracts that include the use of re-refined motor oil. OCP pursued involvement through DDOT to pilot the use of solar-powered street lights. The District was not chosen for inclusion in this pilot program. No other pilot programs are scheduled; however, as specifications are developed for cleaning supplies and paint in approaching months, pilot programs will be implemented as appropriate. A green procurement guide has been written and remains in draft form. It is expected to be released along with an OCP policy, shortly. The nature of the guide has been changed to meet the needs of the agency and does not provide specific specifications for products. Instead, it provides broad guidance on how to reduce the negative impact of the products we purchase.

ADMINISTRATION AND SUPPORT DIVISION

OBJECTIVE 1: STREAMLINE AND SIMPLIFY THE PROCUREMENT PROCESS.

- **INITIATIVE 1.1: Improve Management of Personal Property Division (PPD) Inventory.**
OCP has revamped the management of the facility by bringing in a Property Disposal Officer. The incumbent reports to the Chief of Staff, within the Office of the Chief Procurement Officer, who provides general supervision and broad policy guidance. The employee has complete responsibility for the leadership, development and administration of directing a decentralized citywide personal property management program designed to maximize all aspects of economical acquisition, distribution, utilization and disposal of all surplus and excess property. We believe that the new officer will bring in fresh ideas for the successful management of our PPD and help generate new revenue. In September, PPD implemented the electronic inventory management system which allows PPD to track and report on all excess equipment that enters the disposal warehouse until its final disposition. The inventory system consists of bar-coded property tags and contains the following information: agency from which equipment was surplus, arrival date to warehouse, condition of the equipment with photos and final disposition details.

- **INITIATIVE 1.2: Introduce Online Vendor Intake Process.**
OCP is in the process of redesigning our Vendor Portal. However, with the rollout of the new District agency websites by OCTO, we have had to revise our original plans. We are working with OCTO to make sure that our current plans can be supported by the new website platform. Our timeline for website rollout is the end of fourth quarter. The draft of the intake form we intend to include on the new Vendor Portal on our website is complete.

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.**
Per the advice of our General Counsel, we have been advised to cancel this effort. Please remove from OCP list of action items.



OBJECTIVE 3: INCREASE ACCOUNTABILITY THROUGH TRANSPARENCY AND COMPLIANCE WITH GOVERNING LAWS AND POLICIES.

- **INITIATIVE 3.1: Implement the new OCP Contract File Management Process.**
OCP has been cited for loss of contract file integrity in several audits in the past. Under the leadership of OPIC, the agency has assembled a team represented by members of all divisions of OCP to address this issue. Using SharePoint technology, the team has been able to produce new procedures and monitor contract file activity electronically. Since the implementation of the process, OCP has had a 100% contract file find rate.

OBJECTIVE 4: PROVIDE EFFECTIVE CUSTOMER GUIDANCE AND EDUCATION IN A RESPONSIVE AND PROFESSIONAL MANNER.

- **INITIATIVE 4.1: Implement Agency Contract Officer (ACO) Certification Training.**
OCP successfully implemented the Agency Contracting Officer (ACO) Program in September 2009. Training was held on-site from September to November 2009. The first cohort consisted of seven representatives from District Agencies. All representatives were certified by the Chief Procurement Officer, David Gragan, in December 2009. OCP has selected participants for the second cohort which is expected to begin in late FY10.
- **INITIATIVE 4.2: Incorporate OCP Courses into the DCHR Training Registration System and Catalog.**
In the past, OCP managed the content development, marketing and registration of its training courses independently of DCHR's Workforce Development Administration (WDA). In FY10, OCP worked with DCHR to incorporate OCP courses into the 2010 WDA Course Catalog. OCP believes that incorporating our curriculum into the DCHR system will broaden our audience and allow OCP to focus on its core activities.
- **INITIATIVE 4.3: Develop Procurement Marketing Tools for the District.**
OCP is in the process of redesigning our Vendor Portal. However, with the rollout of the new District agency websites by OCTO we have had to revise our original plans. We are working with OCTO to make sure that our current plans can be supported by the new website platform. Our timeline for website rollout is the end of fourth quarter.

PERFORMANCE MANAGEMENT DIVISION (PMD)

OBJECTIVE 1: STREAMLINE AND SIMPLIFY THE PROCUREMENT PROCESS.

- **INITIATIVE 1.1: Rollout of Sourcing and Contract Compliance Modules in PASS.**
In December 2009, OCP awarded the contract for the implementation of the ARIBA Contract Compliance (ACC) module, which serves as a centralized repository of all District contract information. As of January 2010, OCP, OCTO and the vendor initiated the implementation kick-off. Throughout FY2010, and into early FY2011, the implementation phases will progress, beginning with and continuing to include: (1) Defining the User Requirements; (2) Customizing & Developing the system; (3) Conducting User Testing; and (4) Implementation (which includes both a communication and training plan for users).
- **INITIATIVE 1.2: Establish COTRs for District-wide Term Contracts.**
OCP has identified a number of categories suitable for district-wide contracts. To Date only two



contracts have been signed. To support the administration of the contracts a position has been allocated and OCP is in the process of hiring the staff member.

OBJECTIVE 2: INCREASE ACCOUNTABILITY THROUGH TRANSPARENCY AND COMPLIANCE WITH GOVERNING LAWS AND POLICIES.

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

OCP has fully implemented the vendor evaluation process for small purchase vendors and now accommodates vendors involved in transactions below \$100,000. The goal of this initiative was to increase accountability within the vendor community. The projected benefit of this initiative will be the ability to document vendor problems in order to provide procurement staff with full information when resolving contract issues.
- **INITIATIVE 2.2: Develop an Agency Procurement Indicator Report.**

OCP has completed a draft of the report and intends to publish the final report by the end of FY11 with updated data from FY10. Please review the attached mock up which contains FY09 data.
- **INITIATIVE 2.3: Increase Public Access to Procurement Information.**

OCP implemented the Contract File Management system in FY10 which included systematically scanning contract files. As contracts are awarded and submitted to the File Room they are scanned and posted to our OCP public drive in PDF format. These files are currently assessable to all members of the agency. We continue to meet our FOIA requirements with the help of in-house OAG representatives who review each contract for proprietary information before releasing the document to the public. OCP continues to work with OCTO and OAG on developing a public repository for contracts. However, at this time they are not done designing a process that meets both the public needs as well as legal requirements. As we are not the lead on this effort, we are not fully aware of the exact timeline for this project's completion. OCP will continue to participate in the design process by meeting with OCTO, OAG and now the Office of Public Records to give meaningful feedback in the repository design process. In the meantime, we will go forward by scanning contracts, posting frequently requested contracts on the web and fulfilling FOIA request as they come in. Finally, we expect the need for scanning to be eliminated by the end of FY10 as the Contract Compliance Module is fully implemented in PASS. This tool will allow us to fully track and create contracts electronically. All users of the PASS system will be able to access contract information electronically once the system is up and running. Having this information stored in PASS will also make the transition to the OCTO/OAG public repository simpler.

OBJECTIVE 3: PROVIDE EFFECTIVE CUSTOMER GUIDANCE AND EDUCATION IN A RESPONSIVE AND PROFESSIONAL MANNER.

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

OCP has worked extensively with the Vendor community to educate them on the improved and process, and to provide them with online training and reference tools (available at the OCP Vendor Support Center). OCP hosted a large public forum with over one hundred vendors in attendance and continues to conduct ongoing vendor training sessions to provide assistance and encouragement in interacting with OCP. A dedicated FTE is assigned responsibility for ensuring that all vendors' needs are met and OCP processes facilitate full inclusion of all



vendors in the procurement process.

OFFICE OF PROCUREMENT INTEGRITY & COMPLIANCE (OPIC)

OBJECTIVE 1: INCREASE ACCOUNTABILITY THROUGH TRANSPARENCY AND COMPLIANCE WITH GOVERNING LAWS AND POLICIES

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

In late 2009, OPIC developed and instituted an operational review and testing program that's hinged upon three critical elements that drive operational efficiency – its risk-based (process), skills dependent (people) and includes the use of automation (technology). 1. Process Efficiency - In the past, many of audits were conducted using a more traditional compliance based auditing approach. Doing so would require the auditors/analysts to review 100% of the transactions within a defined population, which given the increasing volumes could lead to what's known to be "auditor fatigue" – over time, auditors senses become dulled when reviewing high volumes of transactions while being expected to see patterns and think critically. The impact of which resulted in extended audit cycle times and re-do's on errors identified. By contract, OPIC's revised approach includes considerations for known/previously identified high risk factors to help identify which transactions to test (i.e., potential split transactions, \$1M packages). 2. People Improvements – Since late FY2009, OPIC has been focused to re-write its job descriptions, requirements and expectations for its staff. The positions within the group now include seasoned audit professionals, policy analysts, procurement professionals and members with technical skills and capabilities. The teams augmented skill sets and competencies will enable OPIC to work more efficiently to perform the reviews and audits. 3. Use of Technology – 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, as an Agency, 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. Beginning in FY10, OPIC initiated the development of a consolidated Deficiency & Remediation database across OCP. Its intent is to consolidate and document in an electronic format a listing of identified/outstanding deficiencies that require management action and attention. Whether the issues are sourced from OIG reports, Internal Audits, CAFR, OPIC reviews, management self-identified reports, etc., having such a database will enable management insights into thematic issues and better manage the remediation efforts. This particular goal is intended to ensure that management takes timely action to closeout issues identified with a targeted remediation date within a fiscal year. We believe with the use of technology and our new internal controls program we will be in much better shape to address issues quickly and holistically.

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

The eDelegator (Delegations of Contracting Authority) database went live during the first quarter of FY10. This tool is housed on SharePoint with access given only to key members of the OPIC team. The database lists the most current list of delegates, along with their agency name and amount of contracting authority. This tool also gives you more detailed information by clicking on the name of the delegate. On the detailed screen you will see the person's contact information, delegation effective and expiration dates along with supporting documentation (signed copies of the CPO delegation letter). Finally, the site also allows



members of OPIC to make comments regarding any change management issues.

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

In FY10 OPIC developed 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 assists in the creation of action plans and ensure the issues are addressed with clear owners and deadlines. The remediation tracking system allows agency leadership to prioritize and hold staff accountable. Using SharePoint, the repository allows leadership to manage remediation items as they come due while allowing staff to collaborate on assignments electronically.



Key Performance Indicators – Details

Performance Assessment Key:

● Fully achieved
 ● Partially achieved
 ● Not achieved
 ● Data not reported
 ● Workload Measure

	Measure Name	FY2009 YE Actual	FY2010 YE Target	FY2010 YE Actual	FY2010 YE Rating	Budget Program
PROCUREMENT DIVISION						
●	\$ Procurement Contract Cost Savings*	No Data Reported				
●	Average # of days from Solicitation to Award for IFBs*	No Data Reported				
●	Average # of days from Solicitation to Award for RFPs*	No Data Reported				
●	# of payments to vendors District rejected for lack of a legal contract	No Data Reported				
●	% of vendors with multiple contracts	No Data Reported				
●	Percent of newly registered vendors who have won contracts within 6 months of certification	No Data Reported				
●	1.1 Total # of POs Processed through OCP	12465	0	15312		AWARD
●	1.2 Total \$ Amount Purchased by OCP (in millions)	1192	0	\$2,251		AWARD
●	1.3 Total # of Term Contract Vehicles	104	18	3	16.67%	AWARD
●	1.8 % of Term Contract Vehicles with EPP Components	0	44	50%	113.64%	AWARD
●	3.1 % of RFPs and IFBs receiving one response	7.02	10	8.96%	111.58%	
ADMINISTRATION AND SUPPORT DIVISION						



	% of Vendor Inquiries/Complaints responded to within 2 days*	No Data Reported				
	# web hits on the DC Vendor Guide wiki page *	No Data Reported				
3.2	# of Newly Active Vendors	2137	2000	1747	87.35%	AWARD
3.3	\$ Value of Excess Property Recycled to a District Agency	816776.95	900000	\$922,213	102.47%	
2.2	% of ACO Participants who receive certification	0	80	100	120%	
3.6	\$ Amount of revenue generated from PPD Sales	661964.36	379190	\$447,669.15	118.06%	
4.5	% of Complete Contract files submitted on time to File Room	0	70	85.39%	121.99%	POST AWARD
1.6	Total # of POs Processed by Agency Contracting Officers (ACO)/delegates	0	300	1126	375.33%	AWARD
1.7	Total \$ Amount Purchased by Agency Contracting Officers (ACO) /delegates(in millions)	0	\$2	\$10.23	511.50%	AWARD
PERFORMANCE MANAGEMENT DIVISION						
1.5	\$ of PCard Rebate	175873.65	100000	\$186,189.48	186.19%	PURCHASE CARD
2.1	% of OCP customers rating OCP satisfactory or better	44	60	No Data Reported		
1.4	Purchase Card utilization rate (based on total purchases under \$2500)	81.49	85	88.61%	104.25%	PURCHASE CARD



3.4	# of Vendors Evaluated	153	200	174	87%	POST AWARD
3.5	% of Vendors receiving "F" grade on evaluations	4.6	5	0	0%	POST AWARD
OFFICE OF PROCUREMENT INTEGRITY & COMPLIANCE						
4.1	# of Final Assessment Reports Issued	0	12	12	100%	
4.2	Average # of days to complete an operational review	32	20	15	133.33%	
4.3	% Agency Contracting Officer's (ACO) operations reviewed	0	100	66.67%	66.67%	
4.4	% of Targeted Remediation Items Cleared	0	100	97.14%	97.14%	