

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF CONTRACTING AND PROCUREMENT



**Fiscal Year 2018 Performance Oversight Hearing**

Testimony of  
George Schutter  
Chief Procurement Officer

Before the  
Committee of the Whole  
Council of the District of Columbia  
The Honorable Phil Mendelson, Chairman

John A. Wilson Building  
Room 120  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004

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Good morning, Chairman Mendelson and members of the Committee of the Whole. I am George Schutter, the director of the Office of Contracting and Procurement and Chief Procurement Officer of the District of Columbia. Today, I am pleased to offer testimony on the Office of Contracting and Procurement's performance in Fiscal Years 2017 and 2018, to date.

## **PROCUREMENT**

In Fiscal Year 2017 (FY17), OCP negotiated and awarded procurement actions valued at approximately 4.6 billion dollars. Improving the quality, integrity, and efficiency of procurement in the District continues to drive our day-to-day work and our strategic approach to how we do procurement in the District. One of our biggest advancements in efficiency in fiscal year 2017 was the launch of the automated DC Supply Schedule application. The automated, web-based tool eliminates the paper application and allows Certified Business Enterprises that apply for the schedule to receive real-time updates about the status of their application. Since its launch in July 2017, we have received over one hundred DC Supply Schedule applications via the online platform and positive feedback from those who have completed the application.

Last fiscal year, we revamped the DDOT Architecture/Engineering Schedule to better comply with the federal Brooks Act by standardizing selection criteria and price negotiation procedures. In the newly revamped process, a procurement professional is involved at each stage to ensure compliance with the Brooks Act. We have also implemented FedSelect, an online source selection software tool, where all evaluation activity takes place in the system. To date, 60 DDOT technical evaluators have been trained on how to use FedSelect and on source selection procedures specific to A/E procurements. This imposed a much-needed discipline on the evaluation process, allowing for real-time tracking of progress and monitoring of quality and

reliability of evaluator comments. Since implementing the new A/E schedule, we have awarded 98 contracts in 21 award categories.

Some of our major achievements in procurement include:

- The award of a 440-million-dollar contract by the OCP team at DDOT to build the Frederick Douglas Memorial Bridge project. The project is one of the largest infrastructure projects ever undertaken by the District and is a component of the Anacostia Waterfront Initiative to remake a historically neglected part of the District and connect both sides of the river.
- The solicitation for the District's first public private project with the Office of Public-Private Partnerships (OP3). The project will to negotiate a strategic partnership between District Government and a private sector partner to retrofit more than 71,000 District lights installed on our streets, alleys and other public spaces with more energy efficient LED bulbs, remote monitoring and control system, and repair and maintain the fixtures. This partnership, estimated to be between 150 to 175 million dollars, ensures that the District continues to lead the nation in sustainability.

### **Transparency and System Upgrade**

Transparency in contracting continues to be one of my top priorities for the agency, both for our internal and external stakeholders. OCP's performance management team has partnered with leadership and contracting staff to better define the components of a healthy procurement system. From those definitions, we have developed electronic procurement health dashboards that are designed to give each of our client agencies an at-a-glance look at their key procurement data, including: percentage of contracts over \$100,000, percentage of planned contracts awarded in a

year, and percentage of procurement professionals assigned to the agency who have achieved their appropriate certification level. . These dashboards will help OCP leadership make more informed decisions about resource allocation, additional support that may be required at a specific agency, and the overall performance of the team. The dashboards are currently being tested with the Chief Contracting Officers before they are rolled out broadly to our program agencies later this fiscal year.

Our efforts to ensure transparency for our current and future industry partners and the residents of the District continues to be a priority for me and the staff. To date, we have posted over ninety percent of our contracts awarded in FY17 to the OCP website. We have worked diligently to document the process and make sure that all OCP staff are able to post their contracts to the website.

Our transparency efforts have also helped to further another of our key initiatives to upgrade the Procurement Automated Support System (PASS). The OCP team conducted a gap analysis of PASS to identify opportunities for the system to better support our day-to-day activities and initiatives. From the gap analysis, we identified three priorities to improve the current system and requirements in its eventual replacement:

- The ability to facilitate the entire procurement lifecycle in the system, from concept of need through award.
- The ability to collect solid procurement data; and
- A streamlined process to post solicitations and awarded contracts publicly.

We are working with a team from OCTO and Ariba to improve the current system so that we are able to accomplish these goals and achieve our short- and long-term transparency requirements.

OCP, along with OCTO, the Office of the City Administrator, and the OCFO established a steering committee focused on developing the strategy and requirements for the next generation of the District's procurement system. Collectively, the steering committee is working to implement features in our current and future systems that will improve efficiency and integrity both internally for District government staff and for our industry partners. One such solution that has come out of the steering committee's work is electronic invoicing, which is currently being piloted with several agencies.

### **Learning and Development**

In FY17, we continued to focus on the Procurement Training Institute and ensuring that all procurement courses are practical and applicable to the work that we do every day. Our strategy is to ensure that at each level of the certification we are preparing staff to be strong individual contributors to the team. As of February 28, 93 percent of our contracting staff is certified at their appropriate level, with the remainder actively working to complete their requirements by the end of the fiscal year. The PTI team has placed a significant focus on creating training plans and timelines that balance in-class time to understand the laws, regulations, and policies with hands-on application of the concepts and skills taught in class.

In addition to the certification courses, PTI conducts over 100 procurement courses a year for non-procurement personnel from across the District. These courses provide District employees with training opportunities needed to prepare requirements for procurements, manage contracts and contractor relationships on behalf of their agencies, and to review and approve invoices in PASS. In FY 2017 and FY 2018 year to date, the PTI team has trained over 2,500 employees in these courses.

The PTI team is working to expand the courses offered to contracting and program staff to ensure a broad and deep understanding of how procurement works in the District. The focus for the remainder of FY18 into FY19 is to add Continuing Professional Education (CPE) courses to allow professionals to keep their District Procurement certification active. The courses will focus on best practices in procurement strategy and management of people and processes related to conducting procurement, among others. The PTI team is also building a library of online courses for both the core courses and the new CPE curriculum to allow staff to take courses remotely, refresh their skills as needed, and augment the in-class training.

### **Engagement**

OCP continues to connect with the business community through our outreach and engagement activities. In FY17 and FY18 OCP has reached over 1,500 members of the business community through our signature events, including OCP in the Wards, DC Buys, and our monthly vendor workshops.

Our Communications team has also worked to improve our online presence via our website and social media channels. We have worked to update and streamline the information available online to make it easier to find for the over 11,000 visitors to our site each month. This year, we experimented with social media, introducing Facebook Live so that our audiences can attend our events remotely or watch later on our Facebook page.

Earlier this fiscal year, we introduced the OCP Ombudsman as another resource for businesses that need support navigating the District's procurement process. The OCP Office of the Ombudsman will support contractors and subcontractors, operating under a valid District contract, to communicate their complaints, concerns, and suggestions related to OCP's contracting and procurement matters. We have created a dedicated section of the OCP website

for the Ombudsman and made sure that our key stakeholders are aware of the office through a coordinated outreach campaign that included:

- Posts on OCP's Twitter, Facebook and Instagram accounts,
- An email blast to the vendor community; and
- An official press release issued to the media and general public.

We will continue our outreach efforts and explore new ways to connect with our current and future industry partners. Our next major event is the fourth annual DC Buys, which will be on April 19 at the Walter Washington Convention Center. More details about DC Buys 2018 will be available on the OCP website in the coming weeks.

### **DC Surplus Property**

During FY17, OCP earned \$4.1 million through the District's Surplus Property Program through its continued focus on providing surplus property management, reutilization, and disposal services to District agencies and eligible not-for-profit organizations.

In FY17, the Surplus Property Program continued to increase awareness of the program. In September 2017, the team hosted an Accountable Property Officer (APO) Summit, where over 35 APOs from across the District joined us to discuss latest industry trends, regulations, and answer any questions that may exist regarding the disposal process.

### **OPIC**

In FY17, OCP's Office of Procurement Integrity and Compliance (OPIC) conducted 123 internal audits covering 676 transactions with a cumulative value of over 600 million dollars. OPIC also supported external auditors with the Single Audit and the Comprehensive Annual Financial

Review (CAFR). For the third year in a row, there were no audit findings attributed to OCP in either the Single Audit or the CAFR.

### **Conclusion**

In closing, I am pleased with the progress that we have made toward realizing my vision of improving the quality, efficiency, and integrity of procurement in the District in Fiscal Years 2017 and 2018, to date. We could not have done this without the hard work and dedication of all the members of the Office of Contracting and Procurement team. Their hard work and commitment allows OCP to continue to improve procurement service delivery in the District. I also want to thank Mayor Bowser, City Administrator Young, and Deputy City Administrator Donahue for their continued support. Thank you, Chairman Mendelson for your support. This concludes my prepared testimony, and I am happy to answer any questions you may have.