

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Public Hearing on

Fiscal Year 2020 Performance Oversight of the Office of Contracting and Procurement

Testimony of
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Before the
Committee on Government Operations and Facilities
Council of the District of Columbia
The Honorable Robert C. White, Jr., Chairman

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John A. Wilson Building
1350 Pennsylvania Avenue, NW
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Good afternoon, Chairman White and members of the Committee on Government Operations and Facilities. I am George Schutter, Chief Procurement Officer of the District of Columbia and the Director of the Office of Contracting and Procurement. On behalf of Mayor Bowser, I would like to thank you for the opportunity to provide testimony on the performance of the Office of Contracting and Procurement for Fiscal Year 2020 and Fiscal Year 2021 to date.

The mission of the Office of Contracting and Procurement (OCP) is to partner with industry and District agencies to purchase quality goods and services in a timely manner and at a reasonable cost, while also ensuring that all purchasing actions are conducted fairly, impartially, and as transparently as possible. Like other District Government agencies, FY2020 presented unique challenges that made fulfilling our mission more difficult than in years past. However, I am proud to have this opportunity to extol the significant accomplishments OCP achieved in FY2020 and so far in FY2021. Our agency undertook substantially increased functional responsibilities, navigated an unprecedented strain on the global supply chain, and matured a comprehensive logistics operation to meet the significant demands of the COVID-19 pandemic on our government, our healthcare system, our local businesses, and our community at large.

Despite these extraordinary demands on our staff and infrastructure, OCP was able to provide steady-state services to our client agencies and vendor community without any significant interruption. And, if I may say so, we did so with excellence. In FY2020, OCP managed the procurement of goods and services in the sum of \$5.6 billion on behalf of 78 District Government agencies. Our success in partnering with client agencies to support their missions is primarily due to our focus on cultivating a network of talented and connected contracting and

procurement professionals. Likewise, our network extends to our wrap-around services within the agency that support the agency's core mission.

As I reflect on the past year and all that we have accomplished under the leadership of Mayor Bowser and in partnership with other agencies, the Council, and our partners in the federal government and private sector, one word comes to mind: interconnectedness. Simply put, without the network and infrastructure we have put into place over the past several years, our accomplishments in FY2020 and FY2021 to date would not be as great. The role of the Chief Procurement Officer is a function of this interconnectedness. When I started this appointment over five years ago, a former CPO shared the importance of this role in our community. They aptly coined the title "Advocate for the Public Trust" to describe the role. Meaning, when you set aside the procedural aspect of contracting and procurement and recognize its societal function and impact, you see just how much responsibility to our residents rests with the agency. Mine and my team's commitment to the residents of the District of Columbia—what I view as our responsibilities—is to continue using our roles to advocate for the public trust, partner with local small businesses, to function as a catalyst of local economic stimulation, and to support the great work of the Bowser Administration. I am honored to demonstrate for you today all the achievements made under the leadership of Mayor Bowser and through the hard work of the OCP team.

Community

Throughout FY2020, OCP never lost sight of the Mayor's goal to increase local economic stimulation through the continued expansion of procurements with CBEs. Since I began my tenure as Chief Procurement Officer, we have ensured not only a focus on compliance with the

strong laws of the District but have increasingly relied on the strength of our local business community in supporting our District requirements. The combination of strong laws, strong education of District contracting and program professionals, and a vibrant local business community have led to a tremendous increase in engagement between the District and its local businesses. Our dedication to this principle is evident in the over 340 percent increase in CBE spend between FY2015 and FY2020. In FY2020 alone, the District procured \$1.4 billion with CBEs.

Even as our agency engaged in emergency procedures to procure goods and services in support of the COVID-19 public health emergency response, we relied heavily on our local businesses to source requirements we were unable to find in the market, and I thank them for their dedication and support. A prime example of this reliance was our creative partnership with local distilleries and coffee roasters to produce hand sanitizer. These businesses, slowed by economic paralysis caused by the pandemic, were invited to reinvent themselves and produce a valuable and hard-to-source good used to protect our first responders and healthcare professionals. Through this partnership, we placed businesses otherwise unlikely to play a role in the emergency response effort on the front lines. Several of the businesses remarked that through this partnership they could sustain staffing levels and keep their businesses open.

A testament to our resolve and pursuit of CBEs and District-based businesses during the pandemic is the percentage of emergency funds spent with these businesses. For COVID-19-related contracts, 47 percent of expended funds were spent with CBEs in FY2020, and 22

percent were spent with businesses based in the District that were not CBEs. The investment in these businesses comprised 69 percent of the total COVID-19-related spending in FY2020.

In addition to increased procurement with small and local businesses, OCP also maintained a regular dialogue with them since the start of the public health emergency. At the onset, OCP immediately transitioned its community-facing engagements to a virtual platform. Our General Vendor Workshop led by our Ombudsman is the starting point for most businesses seeking to do business with the District government, especially our small and local businesses. Traditionally held in person, the workshop was transitioned to a virtual classroom to continue offering this valuable training without interruption. Based on our observations, we believe this transition has increased the workshop's accessibility. Likewise, OCP also transitioned the DC Supply Schedule workshop to a virtual classroom. We believe by offering these courses virtually it will continue to expand accessibility to all District residents as it would eliminate the need to coordinate transportation to and from the classroom. Due to the success of and positive feedback on our virtual workshops, we intend to continue virtually, to some degree, following the conclusion of the public health emergency.

The team at OCP also increased the accessibility of critical procurement opportunities during the public health emergency. When the agency was navigating complex supply chains while searching for essential PPE and sanitation supplies, OCP had to find vendors with supplies on-hand quickly. Likewise, OCP was inundated with offers from many interested businesses seeking to provide essential goods and services. Through our partnership with the Executive Office of the Mayor (EOM), we established a Vendor Relations Team to receive and vet proposals from all

businesses and to understand which businesses had these critical items on-hand and services immediately ready to provide. The team also assessed each business' Certified Business Enterprise (CBE) status and prioritized those businesses for consideration. The data produced from the vetting and sorting process was centralized in a database accessible by the contracting and procurement team. The Vendor Relations Team's work served as a critical resource for the District to procure scarce critical-need goods promptly to ensure our frontline workers were safe. Also in partnership with DSLBD and EOM, another commitment we made was the provision of PPE to DC small businesses through our Business Improvement Districts (BIDs). In the summer of FY2020, OCP distributed 3.5 million masks and other supplies to the BIDs. This aid through BIDs continued into FY2021, with our most recent delivery of supplies on February 12, 2021.

Where our investment in our community truly shines is outside of the realm of PPE. It's our investment in our most vulnerable residents that is at the heart of our work. OCP worked with key stakeholders to support the establishment of the alternate care site at the Walter E. Washington Convention Center to support the District's response to the COVID-19 pandemic. The alternate care site was established as part of the District's surge planning and was available for patient intake if needed in May 2020, only a couple of months after the Mayor declared the District's COVID-19 public health emergency. OCP staff worked closely with EOM, the Department of Health (DC Health), the Homeland Security and Emergency Management Agency (HSEMA), the Department of Health Care Finance, and United Medical Center to negotiate the alternate care site agreement with MedStar Health, as well as agreements to support the services at the alternate care site. OCP staff procured necessary goods and services quickly and efficiently to ensure the facility was operational and available for the intake of low acuity COVID patients.

Likewise, in February 2020, OCP partnered with DC Health to establish the first COVID-19 quarantine sites, which entailed the procurement of local lodging, room supplies, cleaning services, and food.

Emergency Operations and Expansion of Agency Operations

The unprecedented contracting, procurement, and logistics needs spurred by the global pandemic required OCP to assume an expanded and critical role to ensure the success of the District's operations. I am very proud of the Surplus Property Program's maturation and the establishment of the District Strategic Logistics Center, and our team of talented professionals who support these operations. As COVID-19-related procurements increased in the second quarter of FY2020, so did the need for logistics to distribute these goods. From the start, OCP partnered with the Office of the City Administrator (led by the Assistant City Administrator), HSEMA, the Department of Public Works, and DC Health to pool together logistics resources to ensure the smooth distribution of COVID-19 resources to District agencies, first responders, and healthcare professionals. But, OCP suspended its Surplus Property Program in order to pivot and allocate the necessary resources and staff needed to support the joint logistics effort. As the emergency response developed into a multi-quarter operation, OCP in August 2020 assumed the leadership and operations of what ultimately became the District Strategic Logistics Center (DSLC). The DSLC manages the receiving, warehousing, inventory management, distribution, and disposal or surplus of all emergency-related procurements and goods. Today, the DSLC operates five warehouses and supports the ongoing COVID-19 emergency response and other emergency operations, such as the recent Presidential Inauguration and First Amendment activities. In steady-state operations, the Surplus Property Division is preparing for an upcoming project to

assist the District Department of Transportation (DDOT) with its headquarters' relocation.

Similar to the recent MLK Jr. Memorial Library project, our team will act as the disposal agent, auctioning off furniture and equipment to recuperate District funds. Likewise, we are assisting DDOT with the modernization of Capital Bikeshare and the replacement of 450 bike share units. I am proud to say that this operation has proved itself to be a cornerstone of the District's emergency operations, and I look forward to sharing more updates with you in the future.

Lastly, with regard to emergency operations, OCP assists HSEMA with the management of reimbursed COVID funds from FEMA to aid in the District's cost recovery efforts. To date, the District has submitted over \$191 million in reimbursable funds to FEMA, making us a leader in FEMA reimbursement submissions nation-wide.

Excellence in Steady-State Operations

I would like to turn now to our steady-state operations, which were equally important in supporting our residents' needs during these unprecedented times. From FY2020 to date, we have awarded several key contracts of note. OCP's Health and Human Services contracting team awarded over \$7 million for direct care for behavioral health services for DC residents; awarded the Preferred Drug List and Supplemental Rebate program providing cost-effective prices for the District's fee-for-service beneficiaries; and awarded a contract for the District's new Immunization Information System, facilitating data exchange between the District's immunization program, hospitals, and healthcare providers to meet stringent CDC and Centers for Medicaid and Medicare Services standards.

OCP's Government Operations contracting team also supported several key programs this year, most notably those impacting the District's school-aged children's educational opportunities.

OCP supported the modernization of OSSE's school bus fleet through the procurement of 144 new school buses to reduce maintenance costs and provide safe and reliable transportation to approximately 3,200 students who receive specialized education or related services.

Additionally, the DC Early Intervention Program implemented the State Systemic Improvement Plan (SSIP), a multi-year plan intended to increase local early intervention programs' capacity to improve outcomes for children with disabilities and their families. Previously, OSSE held approximately 30 Human Care Agreements for the four core early intervention services (physical, occupational, speech-language, and development therapies) for infants and toddlers.

But, under the SSIP the four core services were combined into one statement of work, which required a higher level of qualification and capacity than the legacy contracts. The procurement resulted in nine Human Care Agreements, which met necessary deadlines to support family transition needs from prior contracts and allows for better contract management — such as family assignments and reports, contract performance management, and invoicing.

OCP's OCTO and Health and Human Services teams partnered with the Department of Forensic Sciences to procure and upgrade the agency's Laboratory Information Management System (LIMS). This upgrade improved the overall operational efficiency, eliminated reliance on manual processes, and aided the laboratory in maintaining its quality objectives and goals. The upgrade added functionality for effective and secure automation and operational growth while eliminating data manipulation using external programs (e.g., Excel spreadsheets), multiple manually entered data into different instruments or forms, or use of multiple databases in routine operations.

We have also continued our partnership with DDOT and PEPCO on the DC Plug project, and, to date, have awarded 100 percent of contracts for the architectural and engineering, construction, and construction management services supporting the DC PLUG project to CBEs. This past year, our team has also coordinated with the Department of Public Works (DPW) to ensure continuity in quality services extended to District residents, including waste disposal and recycling, leaf collection, and Christmas tree removal services. Additionally, DPW's contracting team maintains snow removal and related contracts to support the District's response to snow and other inclement weather events.

In FY2020, the OCP Purchase Card Program facilitated the purchase of goods and services across the District to the sum of over \$21 million, with an additional \$166 million of purchases for COVID-19-related emergency procurements. OCP's Purchase Card Program supports a purchase cardholder in virtually every District government agency and department, from EOM to the Council of the District of Columbia. The purchase card team manages this extensive program by using innovative tools on our card-provider's banking platform, allowing the cardholder, approving officials, and purchase card program administrators to analyze and review purchase card transactions and enforce purchase card policies.

The quality and effectiveness of the services we provide to both our client agencies and industry partners is an area of focus for the agency each year. In September of 2020, OCP released its first client satisfaction survey to gauge the perception of the agency's performance by both agency clients and industry. Out of all respondents, 61 percent of agency clients were satisfied with OCP

services, while 74 percent of industry respondents were satisfied with OCP services. In comparison, according to the U.S. General Services Administration's (GSA) most recent performance data,¹ across all industry partners surveyed, 74 percent were satisfied with federal procurement services provided by GSA. This places OCP's satisfaction metric at parity with the federal government. Our goal in FY2021 is to attain a satisfaction score of 75 percent or better across both agency and industry client bases.

Our People

Our team of resilient contracting and procurement professionals and staff members in capacities supporting our core functions are the agency's backbone. This network of professionals is the driving force behind the successes hard-won in FY2020 and FY2021 to date despite the public health emergency. Continuous investment in our network of professionals and a focus on facilitating high employee morale has contributed to OCP's performance in FY2020. OCP maintained employee integration in the workplace by hosting virtual social engagement events. These events ranged from birthday celebrations to social justice initiatives, allowing staff to interact with each other in a virtual environment.

OCP has operated nimbly as an agency, both in-person at the Emergency Operations Center and in our warehouses; as well as, through enhanced teleworking. Before the public health emergency, OCP was rolling out Microsoft Teams as a means of fostering increased collaboration, both intra-agency and extra-agency. The agency has had the foresight over the last several years to begin implementing tools such as Microsoft Teams and cloud-based collaboration solutions to promote a fully mobile workforce. As OCP's need for enhancing

¹ Performance.gov agency performance data for the The General Services Administration, FY2018

telework and virtual communications with clients increased, the agency professionals became fluent in these tools to support our mission. As we approach the one year mark since the start of the public health emergency, I believe our agency has never been more productive.

Investing in our workforce means investing in their continued education and professional development. Contracting, procurement, and logistics are professions that require staying on top of the most current laws and regulations and the latest best practices. To be an adept practitioner, you must commit yourself to regular education. I believe each employee at OCP is a student for the entirety of their career, which is why we take the continuity of learning seriously. All employees upon onboarding are required to take our Contracting and Procurement Fundamentals course to acquaint the employee with the agency's functions and help the employee better understand how contracting and procurement functions in the District. For the employee, this is the point of departure where they go on to take certifications and courses tailored to their functional area and level of performance. Because of our ardent multi-year focus on employee education and training, it should come as no surprise that OCP immediately transitioned all of its coursework through the Procurement Training Institute (PTI) to a virtual classroom at the beginning of the public health emergency. Every scheduled course planned before COVID-19 was maintained and provided through a virtual classroom from the beginning of the pandemic. Amongst District agencies, PTI has been a pioneer of virtual learning and has provided support and best practices to other agencies seeking to engage in virtual training.

Conclusion

As I hope I've demonstrated today, the interconnectedness of our functions is critical to our success. FY2020 offered a chance for our agency to pursue avenues unavailable to us before. I am proud of the many achievements the team at OCP has accomplished this year. I also want to thank Mayor Bowser, City Administrator Donahue, and Assistant City Administrator Melder for their steadfast leadership. I thank you, Chairman White and the members of the Committee on Government Operations and Facilities, for the opportunity to testify and your ongoing support. This concludes my prepared testimony. I am happy to answer any questions you may have.