

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Fiscal Year 2018 Budget Oversight Hearing

Testimony of
George Schutter
Director
Chief Procurement Officer

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

Room 412
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, D.C. 20004

April 25, 2017
10:00am

Good Morning Chairman Mendelson, Councilmembers, and staff. I am George Schutter, Chief Procurement Officer and the Director of the Office of Contracting and Procurement (OCP).

I am pleased to provide testimony on Mayor Bowser's Fiscal Year 2018 budget entitled, "DC Values in Action, a Roadmap to Inclusive Prosperity." Mayor Bowser recently presented the District's 22nd consecutive balanced budget. It reflects the ideas and priorities of District residents and fulfills our commitment to deliver for District residents each and every day. Mayor Bowser's FY 2018 budget makes strategic investments in education, affordable housing, transportation, infrastructure, public safety, job training, and employment services that keep residents on the pathway to the middle class. These investments reflect the key priorities identified by District residents at Budget Engagement Forums held during the budget formulation process.

OCP's local budget for fiscal year 2018 is \$22.7 million with a FTE count of 223, an increase of five positions all of which are assigned to the procurement division. Our budget authority for Special Purpose Revenue has increased to \$1.2 million. We expect an additional \$28 million in intra-District funds for the purchase card program and staff whose salaries are paid in part by other agencies. The budget will continue to advance the progress that we have made in fiscal year 2017 in improving the integrity, quality, and efficiency with which we award contracts in the District. In fiscal year 2018, we will continue to focus on awarding contracts in a timely manner in accordance with the laws and rules of the District; recruiting and retaining our staff; and ensuring continued success of reutilization and reselling surplus property to achieve cost savings and generate revenue through the District's surplus property program.

Our priority remains the recruitment and retention of a highly qualified team at the Office of Contracting and Procurement. In fiscal year 2018, we will continue to aggressively recruit candidates for all of our positions in partnership with the Department of Human Resources. Once

hired, we are working to make sure that all new employees have an overview of the agency by completing our new employee orientation and the Procurement Foundations course offered through the OCP Procurement Training Institute. We also recently rolled out a mentoring program that provides new employees with a mentor who can offer support and guidance while employees become acclimated to the agency.

Another priority is to ensure that all members of the contracting staff are trained and certified to their appropriate level by the end of calendar year 2017. Once trained to their appropriate level, we must consider next steps which include continuing education and recertification requirements. The fiscal year 2018 budget will allow our Learning and Development team to continue to revise our existing course materials and delivery based on current best practices. Our goal with all of our courses, including those required for certification and those offered through the DCHR Center for Learning and Development, is to make sure that our course curriculum prepares program and procurement staff to execute their role in the procurement lifecycle.

In fiscal year 2018, we will have budget authority to use a portion of the special purpose revenue generated by sales of the District's surplus property to fund the program. Over the last five years, we have built a surplus property program that has generated over \$22 million in revenue and millions in cost savings for the District. Beginning in fiscal year 2018, we will use a portion of the revenue from surplus property sales to fund the two most important aspects of the program: the staff that manage and execute the work on a daily basis and the contract for the auction platform. The team continues to seek opportunities to expand the reach and awareness of the District's surplus property program with stakeholders that are internal and external to government.

We have also been allotted Capital Budget funds in fiscal year 2018 to focus on two critical areas of agency advancement: performance management and further automation of the procurement process. Last fiscal year, we began to refine and enhance our performance management system to include an initial dashboard that tracks metrics and key performance indicators. These data are critical for OCP's leaders to make informed decisions, such as staff assignments and workload distribution. Some of the metrics that are tracked on the initial dashboard include: contract review and approval, purchase card spend, Freedom of Information Act request process times; protest outcomes; internal audits; and other data that indicate our agency's health. With the allotted capital budget, we will continue to build on the existing dashboard to improve the accuracy and completeness of the information and help us to better serve our customer agencies.

We will also use the allotted capital budget to enhance and further automate the procurement process via the Procurement Automated Support System. Our planned enhancements will upgrade the existing system to meet end user requirements and better align with our current procurement process. We expect that the planned enhancements will upgrade critical aspects of the process including: eSourcing; publishing contracts in the system so that they can be posted on the OCP website, a centralized database for better contract management; allow contracting officers and specialists to conduct negotiation in the system; and streamline the DC Supply Schedule process, among others.

I am pleased to report that the Mayor's budget for the Office of Contracting and Procurement demonstrates her leadership and commitment to our shared DC Values and ensures that all District residents have an opportunity to benefit as we work to attain inclusive prosperity. I want to thank the entire OCP staff for all of their hard work and effort to award contracts on behalf of the District. I also want to thank Mayor Bowser, City Administrator Young, and Deputy City

Administrator Donahue for their leadership and support. Thank you, Chairman Mendelson and Councilmembers, for your support and the opportunity to testify regarding Mayor Bowser's fiscal year 2018 budget. This concludes my prepared testimony and I am happy to answer any questions you may have.