

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Public Hearing on

Fiscal Year 2025 Budget Oversight of the Office of Contracting and Procurement

Testimony of
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Acting Chief Procurement Officer

Before the
Committee on Public Works and Operations
Council of the District of Columbia
The Honorable Brianne K. Nadeau, Chairwoman

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9:00 AM
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning Chairperson Nadeau and the Committee on Public Works and Operations. I am Nancy Hapeman, Acting Chief Procurement Officer of the District of Columbia. Thank you for the opportunity to discuss the Office of Contracting and Procurement's (OCP) FY25 budget.

Mayor Bowser's FY 2025 Fair Shot budget is a reflection of our DC values and priorities. It is a budget that maintains a focus on key priorities such as public safety, education, housing and economic development, and transportation and the environment. This budget is the product of difficult choices that balance the need for strategic investments with fiscal responsibility in the face of a challenging budget reality.

The Mayor's budget proposal is guided by the principles of maintaining and enhancing core services, prioritizing successful programs that advance equity, resetting spending to align with resources, and focusing new spending on public safety, education, and the revitalization of Downtown. These principles are reflected in OCP's proposed FY25 budget.

OCP's proposed FY25 budget is \$30 million, a net increase of \$442,000 or 1.5% over the FY24 approved budget. This increase is driven by a \$542,000 increase in Special Purpose Revenue (SPR) funds, offset by a \$100,000 decrease in Local funds.

The \$542,000 increase in SPR funds will support 4 new FTEs in our Surplus Property Division. These additional staff are critical to addressing the projected increase in activity within this division, which generates revenue for the District through the sale of surplus property. By investing in our Surplus Property Division, we aim to maximize the reutilization of surplus property and increase revenue for the District, contributing to the Mayor's goal of aligning spending with resources for long-term fiscal stability.

The \$100,000 decrease in Local funds is primarily due to cost savings in personal services, specifically in fringe benefits, which have decreased from 22.8% in FY 2024 to 21.9% in FY25. This reduction, along with minor decreases in agency supplies and IT equipment, allows us to maintain our current level of service while realizing savings for the District.

Regarding our capital budget, we did not receive new funding for the PASS Cloud Modernization project. As a result, this project is on a strategic pause and OCP will shift our focus to improving the PASS on-premises system and exploring other operational and

technology improvements. We remain committed to modernizing our procurement processes and will continue to work within our existing resources to achieve this goal.

OCP has identified several key initiatives that we will prioritize in FY25 to improve our procurement processes and better serve our client agencies and vendors. These include updating the DC Supply Schedule application, increasing training offerings for our staff and other District staff, strengthening our implementation of Environmental Preferable Purchasing Standards in partnership with DOEE, updating our Procurement Practices Manual and Policy and Procedures Library, improving data accessibility and reporting capabilities, and streamlining our procurement processes through improved job aids, standardized templates, and more granular training.

Our initiatives, combined with ongoing efforts to promote diversity, equity, and inclusion, expand disaster and resilience planning, enhance customer experience, and maximize the reutilization of surplus property, align with the Mayor's goals of prioritizing successful programs that advance equity and support economic development. By streamlining procurement processes, enhancing transparency, and supporting small and local businesses, we are contributing to the revitalization of our local economy, the vibrance of our Downtown, and building a more efficient, effective, and transparent procurement function that serves the needs of the District and its residents.

In closing, I want to emphasize that the investments and initiatives outlined in our FY25 budget are critical to achieving our mission of procuring quality goods and services through a streamlined procurement process that is transparent, responsive, and accountable. We are committed to working with the Mayor, the Council, our agency partners, and our staff to build a best-in-class procurement system that supports the District's goals and priorities.

The Mayor's FY25 budget is a reflection of the difficult choices we must make in the face of unprecedented challenges. It is a budget that prioritizes our shared DC values, maintains core services, advances equity, and makes strategic investments in our collective future. At OCP, we are proud to do our part in supporting these priorities.

I am happy to answer any questions you may have.