GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement

Public Hearing on

Fiscal Year 2021 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
Washington, DC 20004
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 (OCP). I would like to thank you for the opportunity to provide testimony on the performance of the Office of Contracting and Procurement for Fiscal Years 2021 and 2022 to date.

The mission of 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. In FY2021, OCP provided contracting and procurement services to 79 District government agencies, procuring over $5.5 billion in goods and services. Over the past year, the District has faced several unique challenges. I am proud of how our team of professionals has turned these challenges into opportunities for the continued growth and maturation of our operations and services.

COVID-19 Operations and the Strategic Logistics Center

Throughout the pandemic, OCP has served as the primary agency responsible for procuring vital goods and services, such as Personal Protective Equipment (PPE), masks, COVID-19 tests, and vaccination supplies. To date, OCP has procured over $420 million in COVID-19-related goods and services. Through key partnerships with DC Health, the Homeland Security and Emergency Management Agency (HSEMA), and the Department of Public Works (DPW), our team has swiftly adapted to the changing requirements of the pandemic response. For example, when the Food and Drug Administration (FDA) approved the first COVID-19 vaccinations, we worked alongside the Office of the Chief Technology Officer (OCTO) to launch a vaccine portal, enabling the District to prioritize the vaccination of its most vulnerable residents. More recently, we worked closely with DC Health to expand testing, such as distributing take-home tests and masks at the District’s COVID-19 Service Centers across the city.

The Strategic Logistics Center (SLC) remains a pillar of the District’s emergency operations, serving as the central facility for receiving, warehousing, inventory management, distribution, and disposal or surplus of all emergency-related goods. As I described in last year’s performance hearing, the SLC has created efficiencies by integrating procurement and logistics. This integration enables OCP to manage the entire lifecycle of centrally managed goods, combine and service multiple requirements from a single managed inventory, and calculate burn rates with the
insight needed to ensure an uninterrupted supply of goods. The combined capabilities of the SLC and our procurement teams, in strong partnership with our client agencies, provided the means for us to source every single District emergency requirement — an accomplishment few other states and jurisdictions can lay claim to.

The SLC also supports steady-state government operations, such as the Safe Workplace initiative. In FY2021, OCP, in partnership with OCTO, developed a tool where agencies can place requests for supplies such as PPE, sanitizer, cleaning products, and more. The implementation of the system facilitated the efficient and rapid distribution of these goods to District agencies, with requests fulfilled within twenty-four hours. By creating a vehicle for resource requests integrated into the SLC’s inventory management systems, OCP can track agency usage and help client agencies anticipate their needs as they work with DC Health to keep their employees safe.

The operations of the SLC play a critical role in the District’s cost recovery efforts. The SLC, in partnership with HSEMA, has led the District’s operation to seek reimbursement for COVID-19 related purchases through the Federal Emergency Management Agency (FEMA). To date, OCP has submitted documentation for $426.7 million of COVID-19 emergency contracts for reimbursement, allowing the District to receive the maximum reimbursable amount under FEMA regulations. I will note, however, that in some cases only a percentage of the expenses submitted to FEMA are allowable for reimbursement. Through these efforts, the District has received $326.9 million in reimbursable funds. Another cost recovery operation within the SLC is the agency’s Surplus Property Program, which is tasked with the proper reuse or disposal of District property. In FY2020, the District earned $1.5 million in revenue from the program despite a temporary pause in operations due to COVID-19. In FY2021, revenue increased by 350% to $6.8 million, most of which went to the District’s general fund.

**Commitment to Small and Local Businesses**

Much of what we accomplished in FY2021 would not have been possible without the District’s dynamic community of Certified Business Enterprises (CBE). In FY2021, OCP awarded $1.4 billion in prime contracts to CBEs. This figure does not include the significant support CBEs provide through subcontracting efforts. The increase from $300 million in contract awards with
CBEs in 2015 to $1.4 billion in FY2021 solely in prime contracts is a testament to the District’s strong and continued commitment to CBEs.

Our commitment to District small and local businesses is further evident through ongoing outreach and education opportunities. To assist businesses with identifying and capturing contracting opportunities, OCP’s Ombudsman partnered with the Department of Small and Local Business Development (DSLBD) to create a new workshop that explains procurement best practices and outlines the current tools available to businesses through the Contracts and Procurement Transparency portal and resources provided by DSLBD. OCP has continued to offer its monthly General Vendor Workshop online since the start of the pandemic. In FY2021, OCP expanded the workshop to include presentations by our colleagues at DC Water and the Metropolitan Washington Airports Authority, connecting businesses to more opportunities in our region. OCP’s Ombudsman has also facilitated additional meaningful engagements with the business community. In FY2021 and FY2022 to date, the Ombudsman has met with 169 businesses to engage on matters such as how to do business with the District, answer solicitation-specific questions, or to resolve procurement-related concerns. Moreover, OCP’s Contracting Officers also had numerous engagements with the business community, to include advising on set aside opportunities and through preproposal conferences to increase awareness of procurement opportunities.

**Transparency and Accountability**

OCP takes its role of keeping the public trust seriously. We value transparency and accountability and hold ourselves to a high standard. To this end, we maintain an easy-to-access transparency website: the Contracts and Procurement Transparency Portal. The portal is the public clearinghouse for all information related to the District Government’s contracting and procurement activities. The portal is especially helpful to businesses and provides access to transactional data and documents such as solicitations, contracts, purchase orders, and payment information. The portal also features a forecast tool where you can view the anticipated needs of agencies based on the District’s annual acquisition plan. The independent agencies tile contains a list of agencies not served by OCP and links to each agency’s procurement webpage. To be absolutely sure the public is aware of the considerable contracting volume related to COVID-19, we have provided a link on the transparency portal to all documents for contracts executed to
support the District’s COVID-19 emergency response. All this data is accessible at contracts.ocp.dc.gov and OCP welcomes feedback on the Contracts and Procurement Transparency portal. Residents and stakeholders can visit the OCP website to complete the survey and suggest features you would like to see.

Holding ourselves to a high standard requires readily working with oversight agencies, such as the Office of the Inspector General (OIG), to audit the work that we do. For example, current audits include the COVID-19 Procurement and Warehouse Operations audit, the Comprehensive Procurement Risk Assessment, and the ongoing Annual Comprehensive Financial Report. I am pleased to report that there were no contract-related findings or findings for OCP in the District’s Annual Comprehensive Financial Report for FY2021. Additionally, OCP is working with the OIG on several inspections and evaluations regarding the efficiency of procurement in the District. To meet the needs of the auditors, we have provided the OIG with access to our systems and data, including all contracting files related to the District’s COVID-19 emergency response. These are the same contracting files the District is submitting to FEMA for reimbursement of COVID-19-related expenses. Our commitment to the audit process does not stop there. OCP’s staff regularly engages with the OIG team to answer questions and provide documentation as needed. These staff members include those on the front line of the District’s emergency response operations, OCP’s Office of Procurement Integrity and Compliance, and OCP’s Chief Operating Officer, who meets biweekly with the Deputy Inspector General for Audits. Just last week, I met with Inspector General Lucas to discuss our ongoing audits and to ensure the agency is supporting the audit function, which is important to our operations and our commitment to transparency.

Our commitment to transparency extends to our partnership with the Council of the District of Columbia. We have frequently met with you, Chairman, and the staff of this Committee to discuss procurements executed by OCP in the context of the agency’s work supporting the District’s emergency response, and to discuss the reporting transmitted to the Council. I am committed to maintaining an ongoing dialogue with you to keep the committee abreast of the agency’s role in the District’s emergency response operations.
Conclusion

The OCP team accomplished many feats in the face of significant challenges in FY2021. Through the leadership of Mayor Bowser and the dedication of OCP’s public servants, we helped our client agencies complete monumental projects, such as the historic Frederick Douglass Memorial Bridge and Black Lives Matter Plaza, and projects vital to the wellbeing of our residents, such as procuring test kits for DC Health. One of the great takeaways of 2021 was building stronger relationships. Our strong relationships with CBEs, industry, colleagues at other District agencies, and the Council greatly impacted our success over the past year. These partnerships continue to play a pivotal role in OCP’s success, as the agency’s volume of contracting actions has significantly increased by 49% to $8.2 billion in FY2022.

I want to thank Mayor Bowser, City Administrator Donahue, and Assistant City Administrator Parker for their continued leadership throughout the fiscal year. 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.