

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Fiscal Year 2021 Budget Oversight Hearing

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

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3:00 PM

Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good afternoon Chairman White and members of the Committee on Facilities and Procurement. I am George Schutter, Chief Procurement Officer of the District of Columbia and Director of the Office of Contracting and Procurement. I am pleased to offer my testimony on the revisions to the FY20 budget and the Mayor's proposed FY21 budget as it pertains to OCP.

I'm sure you would agree, Mr. Chairman, that these are extraordinary times. The future is fraught with uncertainty; the present with unprecedented challenges. The impact of the coronavirus (COVID-19) public health emergency cannot be understated. Every District agency has been affected in terms of how it operates and with what resources it must do so – OCP is no exception. The review and rationalization of expenditures is, in my opinion, necessary, and I support the actions taken by the Mayor to mitigate the negative economic repercussions of the public health emergency.

OCP's REVISED FY20 & PROPOSED FY21 BUDGETS

On May 18, 2020, the Mayor presented the Proposed Budget and Financial Plan for Fiscal Year 2021—D.C. HOPE, which stands for Health, Opportunity, Prosperity, and Equity. Under the Mayor's plan, OCP's proposed operating budget for FY21 is \$29,984,191, which is an increase of 3.8 percent from the FY20 approved operating budget.

CAPITAL BUDGET

The coronavirus (COVID-19) public health emergency has impacted the capital budget, which has forced us to make several difficult decisions. One such decision was to postpone the PASS Refresh Project that was transitioning the District's electronic procurement system to a cloud-based platform. While OCP will continue to utilize an on-premise system in the short-term, I am confident that this project will move forward when appropriate for the District.

With the remaining capital budget funding, OCP will work closely with OCTO to maintain the on-premise PASS system, including the migration from the 9.1 version to the 9.2 on-premise version to meet the District's minimal security requirements and compatibility with other District enterprise systems. We will use lessons learned from the refresh project as we upgrade and improve the on-premise system.

EFFECTS OF THE BUDGET

OCP has been heavily involved in, and deeply committed to, the District government's response to the coronavirus (COVID-19) public health emergency. The procurement professionals at OCP have worked tirelessly to ensure that the District is equipped with the necessary tools both to slow the spread of the coronavirus and to treat those afflicted by this terrible pandemic.

The operational tempo of OCP has increased significantly since the end of February as OCP began contracting for COVID-19 related goods, supplies and services in addition to the routine procurements across 78 agencies that support the government's day-to-day operations. This operating posture will continue for some time until an effective medical solution for COVID-19

is found. As a result of this posture, OCP will continue to operate at expanded bandwidths to keep pace with both the COVID-19 and non-COVID-19 procurement needs of the District. In addition, procurement operations will continue to face ever-increasing demands into the foreseeable future due to an increased need for contract administration, which includes the modification, termination, and evaluation of current contracts. I cannot stress enough the sheer volume of work that our professionals at OCP are doing in support of the public health emergency, and we still have much more work to do.

OCP's Surplus Property and Business Resources Division also face higher operational demands. During the public health emergency, it became necessary to increase OCP's warehouse capacity from two warehouses to five. These warehouses serve as the internal reception and distribution points for medical equipment and other supplies that directly support the District's COVID-19 operations. Our Surplus Property Division team has done an extraordinary job meeting the increased volume of receiving and warehousing functions which have risen due to the public health emergency. We are grateful to partners from across District agencies who have stepped in as well to support and refine these functions to match the District's needs.

Budgetary restrictions, while necessary in light of the economic impact of COVID-19, will certainly strain the agency, as it will all of District government and residents. However, I firmly believe that OCP can, and will continue to meet the needs of the District as we move towards reopening and recovery with the highest levels of professionalism and integrity.

CONCLUSION

Thank you, Chairman White, for the opportunity to testify today. I would also like to express my gratitude to the Mayor for her decisive leadership, and to the Council, for its quick actions. I would especially like to thank the OCP team for their professionalism, flexibility, and enduring commitment to our community. This concludes my prepared testimony. I'm happy to answer any questions you may have.