

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Public Hearing on

Fiscal Year 2024 Budget Oversight of the Office of Contracting and Procurement

Testimony of

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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

Virtual Meeting Platform

John A. Wilson Building

1350 Pennsylvania Avenue, N.W.

Washington, DC 20004

Good morning Chairperson Nadeau and members of the Committee of Public Works and Operations. It is a pleasure to be before you today to provide testimony on Mayor Muriel Bowser's proposed FY 24 "Fair Shot" Budget and how it supports the Office of Contracting and Procurement's (OCP) mission and objectives.

As you well know, the District is experiencing budget shortfalls due to an array of factors, requiring the District to make some tough decisions in the FY 24 budget. However, I am confident Mayor Bowser's FY 24 "Fair Shot" Budget meets the ongoing operating needs of OCP. With our procurement portfolio expected to exceed \$11 billion this year, OCP remains steadfast in providing critical services to our 79 client agencies through contract and procurement support, the purchase card program, surplus property, training, acquisition management, and many others. OCP stands with Mayor Bowser in ensuring we are prioritizing the most critical investments within the District to offset the impact of economic uncertainties on our residents. Today, I will highlight how the proposed FY 24 budget supports the continued operations of OCP.

Personnel

Under the Mayor's proposed budget, OCP would have a net decrease of 4 local positions. Twelve positions would be transferred to the DC Child and Family Services Agency's (CFSA) local budget as contracting and procurement duties shift to the agency. An additional two vacant positions in support of the DC Retirement Board (DCRB) would be eliminated as OCP no longer supports the contracting and procurement functions of DCRB.

I stand before you to attest to the unwavering determination and resourcefulness of OCP in supporting the procurement operations of its 79 client agencies. Despite the challenging circumstances of budget cuts in personnel, I assure you that OCP remains steadfast in its commitment to deliver quality service. Our dedicated and innovative team has time and again demonstrated their ability to adapt and thrive under pressure, implementing strategic measures such as leveraging technology, streamlining processes, and fostering collaboration. The abilities of these employees ensure the uninterrupted functioning of our client agencies and the fulfillment of their respective missions, all while upholding the highest standards of fiscal responsibility, efficiency, and integrity for the betterment of our District.

Non-Personnel Services

OCP's Non-Personnel Services (NPS) budget sees a \$569,000 decrease in the FY 24 proposed budget. However, this reduction includes two one-time spending needs that were satisfied in FY 23: contract staff for warehouse operations and procurement of computers. A reduction of \$172,000 was made for equipment and equipment rental as the Strategic Logistic Center's operations decreased and the demands of emergencies dwindled. However, OCP received a slight increase in NPS for contractual services, supplies and materials, and O-Type funding to support anticipated increases in the District's Surplus Property Program, which, as I reported in our recent performance oversight hearing, generated \$7 million in revenue for the District in FY 22.

PASS

OCP has been at the forefront of efforts to modernize our procurement practices, infrastructure, and systems to better meet the contracting and procurement needs of the District. Over the past six years, OCP has taken steps to modernize the Procurement Automated Support System (PASS), the District's current technical infrastructure which harbors the central procurement system and facilitates the core functions of the District's contracting and procurement process. Known as the PASS Cloud project, completion of the project would facilitate an upgraded system to a cloud database from the current outdated, on-premises 20-year-old PASS technology that is no longer supported by its developer, SAP ARIBA.

However, as I discussed with the Committee during last month's FY 23 Performance Oversight Hearing, OCP and our PASS team are temporarily shifting our focus from the PASS Cloud project to assist the Office of the Chief Financial Officer (OCFO) with the launch of the District Integrated Financial System (DIFS) and continued stabilization of the system. Most recently, OCP was instrumental in ensuring DIFS integration with PASS and the District's Purchase Card program. We are continuing to work closely with the DIFS team to optimize the integration between the DIFS and PASS systems. As such, I remain committed to the Mayor and the CFO to fully support the stabilization of DIFS before resuming with PASS's migration to the cloud.

Conclusion

As always, I continue to be proud of my entire OCP team who have skillfully navigated through various challenges in recent years. They have done so while providing excellent contract and procurement support to our 79 client agencies, as well as our non-procurement services, including surplus property, support services, and warehouse operations. We are persistently working to ensure we meet the commitment set out in OCP's mission, which 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.

We are grateful for the leadership of Mayor Bowser, City Administrator Donahue, and Assistant City Administrator Parker, who have been instrumental in supporting us through the fiscal year and as we plan for FY 24. We also extend our appreciation to Chairperson Nadeau and the members of the Committee on Public Works and Operations for their support and for providing us with this opportunity to testify.

As we move forward, OCP is committed to continuously improving and growing as an agency with the goal of better serving the District and its residents. This concludes my prepared testimony. I am now open to any questions you may have.