

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Public Hearing on

B24-0174, the “Procurement Agencies Alignment Amendment Act of 2021”

Testimony of

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Director and Chief Procurement Officer

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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1:00 PM

Virtual Meeting Platform

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 (CPO) of the District of Columbia and the Director of the Office of Contracting and Procurement (OCP). I am pleased to offer testimony on B24-0174, the “Procurement Agencies Alignment Amendment Act of 2021”, as introduced by Chairman White and Councilmembers Pinto and Cheh.

Importance of Transparency and Integrity in Public Procurement

OCP appreciates the Council’s, and particularly this Committee’s, dedication to ensuring transparency and integrity in all District government contracting and procurement. As the CPO of the District, transparency and integrity in contracting and procurement are central to my role, and I take my role safeguarding the public trust in our government very seriously — principles that I know Mayor Bowser and Director Anderson, hold in high regard as well. Additionally, I feel a deep responsibility for ensuring that the entirety of procurement activities in the District, including those activities that occur within District agencies independent of the authority of the CPO, are carried out in a manner consistent with the law: fair, equitable, and transparent. It is my duty to serve all agencies by providing the support, training, and advice that they may need. As part of this support, OCP’s team of professionals, including those in internal auditing roles, audit and review contracting and procurement actions that the CPO deems necessary. These actions are performed as the need arises to ensure compliance with District requirements for client and independent agencies.

OCP’s Existing Authority & Programs

As written, the Procurement Agencies Alignment Amendment Act of 2021 would require OCP to conduct an annual audit of the procurement activities within the Department of General Services (DGS) and submit an audit report with recommendations for improvement to the Council. The legislation would further require OCP’s Procurement Training Institute (PTI) to provide training to DGS procurement personnel and compile an annual review of DGS’s training requirements and needs.

As you know, the Procurement Practices Reform Act (PPRA) is the primary law governing the procurement process in the District. The law grants the CPO certain oversight authority, with some limitations, to help regulate District government procurements. The PPRA recognizes three

primary categories of procurement authority for District agencies, which helps guide the CPO's and OCP's procurement and oversight roles. These categories are:

1. Agencies governed by the PPRA and under the authority of the CPO (79 District Agencies);
2. Agencies governed by the PPRA but are independent of the authority of the CPO (15 District Agencies, DGS included); and
3. Agencies not governed by the PPRA and are independent of the authority of the CPO.

The law authorizes the CPO to exercise the option to review and monitor procurements by any District agency, including those exempt under the law or authorized to procure independently of the CPO. Accordingly, the CPO has periodically exercised the authority to audit and review the procurement activities of agencies independent of the CPO as deemed necessary by the Executive. As such, OCP has robust processes in place to conduct reviews, audits, and analyses of District procurement programs and contracts. We have had the privilege of working closely with DGS on previous audits of certain DGS procurements. While the audits have occurred infrequently based on risk assessments and resources available, these periodic reviews have been beneficial in detecting any areas of concern in DGS's procurement system and structure.

While OCP supports the intent of this legislation in seeking transparency in the procurement process by implementing supplementary safeguards as well as staff training, I note for the Committee that OCP already has the authority to audit DGS under the PPRA and has audited DGS contracting and procurement transactions in the past.

In regards to the proposed mandatory training requirement included within the legislation, I would like to highlight OCP's ongoing training resources offered through PTI that are available not only to DGS, but to all independent District agencies to help facilitate the training and development of procurement staff. In addition to training, PTI offers a library of resource materials for use by any interested party. As always, OCP intends to continue our coordination efforts with independent agencies on services provided through PTI to ensure the development of staff and the standardization of procurement processes across the District.

Resource Concerns to Implement

I would additionally like to note for the Committee that while OCP is not opposed to the Procurement Agencies Alignment Amendment Act of 2021, we are concerned that the legislation lacks certain provisions that would be necessary to sufficiently carry out the requirements of the Bill if implemented. The requirement in the legislation for OCP to conduct an annual audit of DGS's procurement activities and submit a report with recommendations for improvement would necessitate an increase in OCP staff time and resources, where resources are already limited given the \$7.5 billion in contracting actions OCP is expected to execute this year. Unfortunately, the legislation does not include additional resources that would provide support for executing the requirements of the Bill, nor does it offset the diversion of funding within the OCP budget from the other, regular services that OCP already provides to its client agencies and the public. We ask Council and the Committee to strongly consider the significant impact that a diversion in resources would have on OCP's execution of services for client agencies and our work with the vendor community.

Additionally, the legislation is unclear on the timetables for implementation of certain requirements of the proposed law. For instance, the legislation would require annual audits of DGS's procurement activities; however, it does not provide a specific timeline or date for when the audits shall take place. My desire is for the resources necessary to implement this Bill to be made available to the agency before the required implementation date.

Conclusion

In conclusion, I again convey my appreciation to this Committee regarding your commitment to transparency and integrity in the drafting and introduction of this legislation that would enhance oversight of the District's procurements. With this in mind, we urge the Council to consider the increased costs the legislation would have on the already limited staff and resources within OCP. We look forward to continuing our work with DGS and the Council to improve the district's procurement processes.

I want to thank Mayor Bowser, City Administrator Donahue, and Assistant City Administrator Parker for their continued leadership and support. 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 of OCP. This concludes my prepared testimony. I am happy to answer any questions you may have.