

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of Contracting and Procurement**



Public Hearing on

Fiscal Year 2022 Performance 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

February 28, 2023  
9:30 AM  
Virtual Meeting Platform  
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 George Schutter, Chief Procurement Officer of the District of Columbia and Director of the Office of Contracting and Procurement (OCP). Thank you for the opportunity to provide an update on OCP's performance in Fiscal Years 2022 and 2023 to date.

In FY2022, OCP successfully executed over \$10 billion in procurement actions for the 79 District government agencies we serve. Our commitment to our mission of purchasing quality goods and services at a reasonable cost while maintaining fairness and impartiality has ensured the delivery of industry-leading services to the District's residents through our client agencies.

Since my appointment as Chief Procurement Officer in 2015, I have focused on developing a highly effective network of contracting and logistics professionals. This network has enabled OCP to manage a multitude of operations and meet the demanding requirements of our client agencies, including emergency responses. Over the past four years, OCP's procurement portfolio has grown from \$3 billion to over \$10 billion, and the Surplus Property Division generated a record \$7 million in revenue for the District in FY2022. Despite these ongoing challenges, I am confident that our team will continue to provide valuable services and support to our client agencies.

### **Emergency Operations**

OCP continues to play a crucial role in procuring goods and services during the District's emergency response efforts. Our expertise, honed during the COVID-19 pandemic response, allows us to quickly respond to new and challenging scenarios. Examples of OCP's role in emergency responses in FY2022 to date include:

- (i) Mpox virus: As mpox cases began in the DC region in May 2022, OCP worked closely with the Department of Health (DC Health) to create pop-up mpox vaccine sites and pop-up information centers for residents.
- (ii) Trucker Convoy: In May 2022, OCP and its partner agencies, the Department of Public Works (DPW) and the Homeland Security and Emergency Management Agency (HSEMA), worked to prevent any disruptions caused by the so-called "trucker convoy." This was accomplished through the acquisition of

approximately 12 semi-truck wrecking machines and other large vehicles that were strategically positioned to restrict unauthorized vehicles from blocking main arteries in the city.

- (iii) Migrant Services: In July 2022, OCP supported the District's response efforts to procure housing, and wraparound services for migrant families that were bussed to the District. OCP continues to support these ongoing efforts in coordination with the Department of Human Services' Office of Migrant Services.
- (iv) Ongoing Safe Workplace Materials: OCP maintains its operations in the contracting and procurement of COVID-19 testing supplies, masks, gloves, and other safe workplace materials to continue the District's response to COVID-19.
- (v) Planning for Future District Emergencies: To ensure readiness for future emergencies, OCP has established contracts and procurement vehicles for emergency goods and services. For example, our storm readiness and winter preparedness activities are well-planned, with plows and trucks on standby, and adequate supplies of brine and salt to keep roads and walkways safe during harsh, winter weather conditions.

### **Steady State Operations and Agency Milestones**

Amidst the challenges posed by emergency response efforts, OCP has not only risen to the occasion, but has also excelled in providing exceptional services to our client agencies in support of steady-state (non-emergency) operations.

### ***Strategic Logistics Center***

Established during the COVID-19 pandemic, the Strategic Logistics Center (SLC) was a vital component in the District's all hazard emergency response. Since then, the SLC has matured its warehousing management capabilities to meet the evolving steady state and emergency needs of the government. In FY2022, the SLC supported key initiatives, including the Safe Workplace program, which provided 105 District agencies with PPE such as masks, gloves, and hand sanitizer. The SLC also serves as an all-hazards logistics center in collaboration with HSEMA, DPW, DC Health, the Metropolitan Police Department, Fire and Emergency Medical Services, and the Red Cross.

The SLC also manages the District's Surplus Property Program, which generated over \$7 million in revenue from surplus property sales and reutilization activities in FY2022. This represents an increase in surplus property sales from slightly under \$4 million in FY2016 to over \$7 million in FY2022. The revenue in FY2022 was achieved through public auctions of government surplus property, generating \$6.9 million, and a successful scrap and recycling initiative, generating \$131,000 by processing over 1.75 million pounds of metal.

OCP has matured and optimized the operational efficiency of the SLC by integrating and configuring BarCloud, the SLC's inventory management system, and maintaining strict warehousing and evaluation processes, including a 43-step review process to verify the authenticity and quality of PPE received at the warehouses. The agency worked closely with the Office of the Inspector General (OIG) in their review and audit of warehouse operations, including a review of the SLC's electronic systems, to ensure accurate inventory matching and improvements in overall operations.

OCP has worked with auditors to complete supplemental audits to survey the accuracy of all inventories in the SLC warehouses and track COVID-19 spending and goods receipt. This work reflects the agency's commitment to transparency and accountability in its operations. OCP appreciates the OIG's efforts in identifying areas for improvement in its operations and remains committed to ongoing collaboration.

### ***Outreach and Community Engagement***

Following the end of the pandemic, OCP has taken steps to strengthen its outreach to and engagement with vendors and industry partners. The agency held forty-eight formal debriefings and hundreds of informal debriefings for vendors to assist them in their future bids and proposals with the District. OCP hosted two Industry Days in FY2022 where we highlighted current and upcoming solicitations, solicited feedback regarding the District's procurement system, and answered vendor questions. These Industry Days provided an opportunity for prime contractors, subcontractors, and providers to network before the release of solicitations. OCP also offered

monthly training opportunities for the public, such as the General Vendor and DC Supply Schedule workshops.

OCP participated in various public events in FY22 and FY23 to date, including the 31st Annual Government Procurement Conference and the District Connect event organized by the Department of Small and Local Business Development. OCP remains committed to its Diversity, Equity, and Inclusion (DEI) program and is working closely with the Mayor's Office of Racial Equity to keep its plan current and effective. We recently participated in the Let's Talk Black Tech Multi Industry Expo hosted by the Greater Washington DC Black Chamber of Commerce.

### ***American Rescue Plan Act & Build Back Better***

OCP plays an important role in securing the goods and services needed for the District's long-term growth and opportunity investments as a result of federal aid under the American Rescue Plan Act (ARPA), Build Back Better (BBB) Plan, and the Infrastructure Investment and Jobs Act (IIJA), each with specific regulations on the usage of funds.

One of the major ARPA initiatives that OCP is involved — in partnership with the District Department of Transportation, the Office of the Chief Technology Officer, and the Office of Public-Private Partnerships — is the DC Smart Street Lighting project. This project is a \$309 million public-private partnership and the District's first ever public-private partnership aimed at upgrading the District's streetlights with energy-efficient LED technology and incorporating smart city features like wireless access points to enhance the DC-NET public Wi-Fi program.

In March 2022, I was appointed to the DC Build Back Better Infrastructure Task Force created by Mayor Bowser to recommend infrastructure projects eligible for funding through the IIJA. As a member of the Administration, Compliance, and Procurement Subcommittee, I emphasized the importance of executing procurements with innovative, flexible acquisition methods and streamlining processes to maximize efficiency. I highlighted the necessity of infusing resources to support the integrated procurement teams carrying out contract management to ensure programs are working effectively. Additionally, I recommended expanding outreach to local businesses and Certified Business Enterprises (CBEs).

With over \$3 billion expected to be received by the District over the next decade from the various authorizations of federal funding, it is imperative that the District utilize these funds efficiently and effectively to meet the needs of the city and its residents. Under Mayor Bowser's leadership, OCP is committed to working closely with client agencies to fulfill all necessary requirements.

### ***Legislative Activities***

OCP has worked diligently in FY2022 and FY2023 to date to issue emergency and proposed regulations for the Campaign Finance Reform Act, along with completing various implementation measures to include the creation of a vendor self-certification portal in partnership with the Office of the Chief Technology Officer. Currently, we are making final efforts to complete the vendor self-certification process, publish the regulations and provide various information sessions and updates to vendors.

With regard to the Nonprofit Fair Compensation Act of 2020 (NFCA), effective March 16, 2021, and application to contracts beginning October 1, 2021, OCP completed its implementation measures in FY2022 to ensure that the District contracting system is accessible to nonprofits in the recognition and payment of indirect costs. OCP remains committed to supporting our non-profit partners on matters associated with the contracting and procurement provisions under the NFCA. Our agency has actively engaged in multiple meetings with the Coalition for Nonprofit Equity to discuss the concerns of nonprofits and the District's implementation measures for the NFCA. OCP has provided training to staff on the requirements and implementation of the law for contracts under OCP's authority and has communicated the requirements of the law to District agencies.

### **Systems and Technology**

In FY2022, OCP joined forces with the Office of the Chief Financial Officer (OCFO) to prepare for the launch of the District Integrated Financial System (DIFS), a cutting-edge financial management solution designed to simplify the District's accounting processes. The system was launched in the beginning of FY2023 and is expected to administer 60% of the District's

financial transactions. OCP played a key role in ensuring DIFS integration with the Procurement Automated Support System (PASS) and the District's Purchase Card program.

As part of our ongoing collaboration with OCFO and the DIFS team, OCP is working to optimize the integration between the DIFS and PASS systems. As such, OCP's PASS team has shifted its focus to stabilizing DIFS before resuming the migration of PASS to the cloud. As I've mentioned in previous testimony, the PASS Cloud project aims to upgrade the outdated on-premises 20-year-old PASS technology to a cloud database. This migration will bring a host of new efficiencies to the procurement process, including improved procurement planning, reporting, and transparency. I have committed to the Mayor and the CFO to completely support the stabilization of DIFS prior to moving forward with PASS's migration to the cloud.

To ensure that our staff understands and gains proficiency in the use of these technology upgrades, OCP will be enhancing our Policies and Procedures Manual with new content and providing additional training and support on both projects.

### **Employee Recruitment and Retention**

I am pleased to announce that our agency has made significant strides in recruitment, reducing our vacancy rate to 9%. We achieved this lower vacancy rate through internal promotions, enabling us to retain valuable talent and knowledge within the agency. We are proud to offer competitive employee benefits and salaries, allowing us to attract top talent to join our team. Additionally, we partnered with DC Department of Human Resources (DCHR) at their virtual and in-person hiring fairs, which yielded many successful hires.

In 2021, we conducted an employee satisfaction survey, which showed significant improvement in overall employee satisfaction from the survey conducted in 2018. While there is always room for improvement, the results demonstrate that we have made great strides in enhancing employee satisfaction. We are dedicated to identifying and implementing new initiatives to further increase employee satisfaction.

Last month, we held a recognition ceremony to acknowledge and celebrate the hard work and dedication of our employees, particularly during the COVID-19 pandemic. It was a privilege to present awards to employees for their lengthy years of service to the District. I was particularly pleased to present a service award to one employee who has served the District for over 45 years.

### **Conclusion**

In FY2022, OCP faced new challenges, but we rose to the occasion with determination and professionalism. Our agency successfully maintained and managed daily operations with a procurement portfolio of over \$10 billion, while also addressing the pressing emergency needs of the District. The strong relationships we have built with our vendors and client agencies further demonstrate the exceptional talent and expertise within our organization.

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. 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, to better serve the District and its residents. This concludes my prepared testimony. I am now open to any questions you may have.