Office of Contracting and Procurement

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Description	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change from FY 2012
Operating Budget	$24,568,098	$8,697,582	$8,970,555	3.1
FTEs	87.7	84.0	85.0	1.2

The mission of the Office of Contracting and Procurement (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.

Summary of Services

OCP purchases approximately $2.0 billion of goods and services on behalf of more than 60 different District agencies and programs. OCP buying teams include goods, services, transportation and specialty equipment, and information technology. The agency provides oversight and monitoring of agencies with delegated contracting authority, provides contract administration support, and manages the District's Purchase Card program. OCP also provides surplus property management for District agencies.

The agency's FY 2013 proposed budget is presented in the following tables:

FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table PO0-1 contains the proposed FY 2013 agency budget compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table PO0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
General Fund						
Local Funds	2,775	8,294	8,698	8,971	273	3.1
Special Purpose Revenue Funds	523	1,189	0	0	0	N/A
Total for General Fund	**3,298**	**9,483**	**8,698**	**8,971**	**273**	**3.1**
Intra-District Funds						
Intra-District Funds	22,030	15,085	0	0	0	N/A
Total for Intra-District Funds	**22,030**	**15,085**	**0**	**0**	**0**	**N/A**
Gross Funds	**25,328**	**24,568**	**8,698**	**8,971**	**273**	**3.1**

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Full-Time Equivalents, by Revenue Type

Table PO0-2 contains the proposed FY 2013 FTE level compared to the FY 2012 approved FTE level by revenue type. It also provides FY 2010 and FY 2011 actual data.

Table PO0-2

Appropriated Fund	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change
General Fund						
Local Funds	21.6	79.1	84.0	85.0	1.0	1.2
Special Purpose Revenue Funds	3.8	8.6	0.0	0.0	0.0	N/A
Total for General Fund	**25.4**	**87.7**	**84.0**	**85.0**	**1.0**	**1.2**
Intra-District Funds						
Intra-District Funds	77.1	0.0	0.0	0.0	0.0	N/A
Total for Intra-District Funds	**77.1**	**0.0**	**0.0**	**0.0**	**0.0**	**N/A**
Total Proposed FTEs	**102.5**	**87.7**	**84.0**	**85.0**	**1.0**	**1.2**

FY 2013 Proposed Operating Budget, by Comptroller Source Group

Table PO0-3 contains the proposed FY 2013 budget at the Comptroller Source Group (object class) level compared to FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table PO0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
11 - Regular Pay - Continuing Full Time	6,133	6,162	6,354	6,613	259	4.1
12 - Regular Pay - Other	990	626	469	195	-274	-58.4
13 - Additional Gross Pay	295	694	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	1,289	1,296	1,386	1,505	119	8.6
15 - Overtime Pay	28	3	0	0	0	N/A
Subtotal Personal Services (PS)	**8,735**	**8,781**	**8,209**	**8,313**	**104**	**1.3**
20 - Supplies and Materials	45	48	65	46	-19	-28.9
30 - Energy, Comm. and Building Rentals	244	0	0	0	0	N/A
31 - Telephone, Telegraph, Telegram, Etc.	148	8	0	0	0	N/A
33 - Janitorial Services	101	0	0	0	0	N/A
34 - Security Services	90	0	0	0	0	N/A
35 - Occupancy Fixed Costs	150	0	0	0	0	N/A
40 - Other Services and Charges	15,500	15,550	194	284	90	46.1
41 - Contractual Services - Other	215	71	100	175	75	75.0
70 - Equipment and Equipment Rental	101	110	130	153	23	18.0
Subtotal Nonpersonal Services (NPS)	**16,593**	**15,787**	**488**	**658**	**169**	**34.6**
Gross Funds	**25,328**	**24,568**	**8,698**	**8,971**	**273**	**3.1**

*Percent change is based on whole dollars.

Division Description

The Office of Contracting and Procurement operates through the following 5 divisions:

Procurement – provides acquisition services to District agencies in accordance with District laws and regulations for the supplies, equipment, and services needed to support agencies' missions and objectives.

This division contains the following 6 activities:
- **Information Technology** – includes the acquisition of software and hardware as well as technology services;
- **Procurement Management and Support** – provides oversight and project management;
- **Goods** – includes the acquisition of public safety equipment, office supplies and equipment, uniforms, and recreational and promotional items;
- **Services** – includes the acquisition of legal, financial, training, and health and human services;
- **Transportation and Specialty Equipment** - includes the acquisition of vehicles and other specialty equipment; and
- **Purchase Card** – provides overall oversight and administration of the District's Purchase Cards used in agencies. The Purchase Card provides an alternative delegated procurement vehicle that reduces the processing cost and delivery time for purchases under $2,500.

Administration and Support – provides internal administrative and operational support to the agency as well as customer service, resource management, surplus and property management.

This division contains the following 5 activities:
- **Surplus Property** – provides surplus property management, re-utilization, and disposal services to District agencies;
- **Support Services** – includes agency acquisition services, facilities management, front desk support, and records management;
- **Customer Service and Communications** – manages the agency's web site, produces electronic and print publications, corresponds with constituents and vendors, responds to media inquiries, staffs the agency's customer service phone lines, ensures compliance with language access laws and regulations, and publishes articles and news releases;
- **Resource Management** – manages all human resource functions including recruitment, retention, and staff development; and
- **Procurement Training** – provides internal training for procurement and external training to all District employees on general procurement practices and laws as well as training for the Procurement Automated Support System (PASS).

Procurement Technology – provides consultative and technical support to agencies, vendors and OCP buyers, and support and includes user training and report generation.

Procurement Integrity and Compliance – initiates and conducts independent operational performance audits and business process improvement reviews of existing procurement functions.

This division contains the following 2 activities:

■ **Integrity and Compliance** – initiates and conducts independent operational performance audits and liaises with external auditors for OCP's compliance with the Comprehensive Annual Financial Report (CAFR); and

■ **Contract Administration and Analysis** – provides agency goal development and monitoring, analysis, and project management; and includes the green purchasing program.

Agency Management Program – provides for administrative support and the required tools to achieve operational and programmatic results. This division is standard for all agencies using performance-based budgeting.

Division Structure Change

The Office of Contracting and Procurement eliminates one division and adds one division in the FY 2013 proposed budget. Table 4 depicts the new FY 2013 agency structure.

FY 2013 Proposed Operating Budget and FTEs, by Division and Activity

Table PO0-4 contains the proposed FY 2013 budget by division and activity compared to the FY 2012 approved budget. It also provides the FY 2011 actual data.

Table PO0-4

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
(1000) Agency Management Program								
(1010) Personnel	-3	0	0	0	0.0	0.0	0.0	0.0
(1015) Training and Employee Development	22	69	40	-29	0.0	0.0	0.0	0.0
(1020) Contracting and Procurement	15,343	130	243	113	0.0	0.0	0.0	0.0
(1040) Information Technology	119	51	80	29	0.0	0.0	0.0	0.0
(1070) Fleet Management	19	22	14	-8	0.0	0.0	0.0	0.0
(1085) Customer Service	-1	0	0	0	0.0	0.0	0.0	0.0
(1087) Language Access	15	0	0	0	0.0	0.0	0.0	0.0
(1090) Performance Management	446	432	383	-50	5.2	4.0	3.0	-1.0
Subtotal (1000) Agency Management Program	**15,960**	**705**	**760**	**55**	**5.2**	**4.0**	**3.0**	**-1.0**
(2000) Procurement								
(2010) Procurement Management and Support	1,071	690	243	-448	4.3	7.0	2.0	-5.0
(2015) Information Technology	796	700	940	240	11.4	7.0	9.0	2.0
(2020) Goods	1,285	1,076	528	-548	11.3	12.0	6.0	-6.0
(2030) Services	1,859	1,902	2,410	507	20.2	19.0	24.0	5.0
(2040) Transportation and Special Equipment	214	263	257	-6	3.5	4.0	4.0	0.0
(2055) Purchase Card	-50	0	199	199	0.0	0.0	2.0	2.0
Subtotal (2000) Procurement	**5,175**	**4,631**	**4,576**	**-55**	**50.8**	**49.0**	**47.0**	**-2.0**
(3000) Procurement Integrity and Compliance								
(3010) Procurement Integrity and Compliance	672	793	456	-337	6.2	7.0	4.0	-3.0
(3020) Contract Administration and Analysis	0	0	292	292	0.0	0.0	3.0	3.0
Subtotal (3000) Procurement Integrity and Compliance	**672**	**793**	**748**	**-45**	**6.2**	**7.0**	**7.0**	**0.0**
(4000) Administration and Support								
(4010) Surplus Property	719	541	823	282	4.7	4.0	6.0	2.0
(4015) Vendor Relations	22	0	0	0	0.0	0.0	0.0	0.0
(4020) Support Services	1,031	837	577	-261	11.3	9.0	6.0	-3.0
(4030) Customer Service and Communications	0	0	459	459	0.0	0.0	6.0	6.0
(4040) Resource Management	0	0	336	336	0.0	0.0	3.0	3.0
(4050) Procurement Training	0	0	260	260	0.0	0.0	3.0	3.0
Subtotal (4000) Administration and Support	**1,772**	**1,378**	**2,455**	**1,077**	**16.0**	**13.0**	**24.0**	**11.0**
(5000) Performance Management								
(5010) Contract Administration	24	0	0	0	0.9	0.0	0.0	0.0
(5015) Technology Support	470	488	0	-488	3.5	5.0	0.0	-5.0
(5020) Communications and Customer Service	211	126	0	-126	1.8	1.0	0.0	-1.0
(5030) Special Projects and Analysis	194	485	0	-485	2.6	4.0	0.0	-4.0
(5040) Purchase Card	90	91	0	-91	0.8	1.0	0.0	-1.0
Subtotal (5000) Performance Management	**989**	**1,191**	**0**	**-1,191**	**9.6**	**11.0**	**0.0**	**-11.0**
(6000) Procurement Technology								
(6010) Technology Support	0	0	431	431	0.0	0.0	4.0	4.0
Subtotal (6000) Procurement Technology	**0**	**0**	**431**	**431**	**0.0**	**0.0**	**4.0**	**4.0**
Total Proposed Operating Budget	**24,568**	**8,698**	**8,971**	**273**	**87.7**	**84.0**	**85.0**	**1.0**

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's divisions, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Budget Changes

The Office of Contracting and Procurement's (OCP) proposed FY 2013 gross budget is $8,970,555, which represents a 3.1 percent increase over its FY 2012 approved gross budget of $8,697,582. The budget is comprised entirely of Local funds.

Current Service Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2012 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The initial adjustments in the budget proposal represent changes that should be compared to the FY 2013 CSFL budget and not necessarily changes made to the FY 2012 Local funds budget. The FY 2013 CSFL adjustments to the FY 2012 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

OCP's FY 2013 CSFL budget is $8,838,502, which represents a $140,920, or 1.6 percent, increase over the FY 2012 approved Local funds budget of $8,697,582.

Initial Adjusted Budget

Cost Increase: $159,318 to nonpersonal services for an increase in Other Services and Charges, Contractual Services, and Equipment and Equipment Rental.

Cost Decrease: $159,318 from personal services - term employees to offset the increase in nonpersonal services.

Additionally Adjusted Budget

Technical Adjustment: Adjustment of Fringe Benefits to restore the District Government contribution for employee health insurance from 72 percent, implemented in the FY 2011 budget, to 75 percent in FY 2013, resulting in an increase of $32,053 in Local funds.

Policy Initiative

Cost Increase: $100,000 and 1.0 FTE were added in the Procurement Division to implement the use of Virtual Credit Cards as a payment vehicle.

FY 2012 Approved Budget to FY 2013 Proposed Budget, by Revenue Type

Table PO0-5 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

Table PO0-5
(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2012 Approved Budget and FTE		**8,698**	**84.0**
Consumer Price Index	Multiple Programs	10	0.0
Fringe Benefit Rate Adjustment	Multiple Programs	97	0.0
Personal Services Growth Factor	Multiple Programs	34	0.0
FY 2013 Current Services Funding Level Budget (CSFL)		**8,839**	**84.0**
Cost Increase: To Other Services and Charges, Contractual Services, and Equipment and Equipment Rental	Multiple Programs	159	0.0
Cost Decrease: To personal services cost to offset increase in nonpersonal services	Multiple Programs	-159	0.0
FY 2013 Initial Adjusted Budget		**8,839**	**84.0**
Technical Adjustment: Health insurance contribution	Multiple Programs	32	0.0
FY 2013 Additionally Adjusted Budget		**8,871**	**84.0**
FY 2013 Policy Initiatives			
Cost Increase: To implement the use of Virtual Cards as a payment vehicle initiative	Procurement	100	1.0
LOCAL FUNDS: FY 2013 Proposed Budget and FTE		**8,971**	**85.0**
Gross for PO0 - Office of Contracting and Procurement		**8,971**	**85.0**

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Agency Performance Plan

The agency has the following objectives and performance indicators for their divisions:

1. Procurement Division

Objective 1: Streamline and simplify the procurement process.

Objective 2: Increase accountability through transparency and compliance with governing laws and policies.

Objective 3: Provide effective customer guidance and education in a responsive and professional manner.

Procurement

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Dollar amount of central purchasing office purchases per FTE (in millions)[1]	$11.9	$12	$19.3	$20.0	$21.0	$22.0
Total number of term contract vehicles[2]	2	2	2	6	Not Available	Not Available
Percentage of EPP term contract vehicles	Not Available	2%	2%	4%	6%	6%
Number of newly active vendors in sourcing module	1,747	2,000	3,962	2,000	2,100	2,200
Number of functional catalogs in PASS	Not Available	Not Available	2	6	8	10

2. Operations and Support Division

Objective 1: Streamline and simplify the procurement process.

Objective 2: Streamline and simplify the on-line auction process to increase revenue.

Objective 3: Increase use and residual revenue from Purchase Card program.

Operations and Support Division

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of OCP customers rating OCP satisfactory or better[3]	44%	75%	75%	75%	85%	95%
Percentage of purchasing conducted with Purchasing Cards[4]	1.3%	1.5%	.36%	1.5%	1.5%	1.5%
Purchase Card utilization rate (based on total eligible purchases under $2500)	93%	95%	90.04%	100%	100%	100%
Number of certified participants who can receive surplus property	Not Available	25	32	38	46	55
Number of pounds processed for recycling program (thousands of pounds)	Not Available	27	32	64	75	85
Total dollar revenue generated/collected by SPD (millions of dollars)	$.402	$.700	$1.02	$1.2	$1.5	$2.0
Dollar Value of excess property recycled to District agencies for re-use (millions of dollars)	$.819	$.900	$2.5	$3.5	$4.0	$4.5

3. Resource Management Division

Objective 1: Create a procurement training institute that will provide a comprehensive training curriculum for all DC government procurement staff.

Objective 2: Working with the University of the District of Columbia (UDC) to develop and deliver procurement industry certification programs.

Objective 3: Fill a minimum of 85 percent of budgeted staff positions.   Completion date – June 2012.

Objective 4: Research, develop and pilot employee performance measures for 50 percent of OCP positions. Completion Date – June 2012.

Resource Management Division

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Number of new training courses developed and delivered	Not Available	Not Available	Not Available	10	20	30
Percentage of staff covered by standardized performance measures	Not Available	Not Available	Not Available	50%	100%	100%
Percentage of budgeted staff hired by December 2012	Not Available	Not Available	Not Available	85%	100%	100%
Number of working days for external recruitment[5]	Not Available	Not Available	Not Available	35	30	25

4. Technology Division

Objective 1: Communication and training

Objective 2: New real-time Ariba category management module in PASS.

Objective 3: Information distribution to internal and external customers via web portals.

Technology Division

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of total number of issues resolved from all customers within 8 hours (HELP DESK)[6]	Not Available	Not Available	Not Available	80%	80%	80%
Percentage of total number of improvements and enhancement to the PASS/eSourcing application submitted to OCTO implemented within 30 days	Not Available	Not Available	Not Available	90%	90%	90%
Percentage of total number of intranet and internet updates completed within 24 hours	Not Available	Not Available	Not Available	100%	100%	100%
Percentage of internal overall customer satisfaction of PASS/eSourcing support	Not Available	Not Available	Not Available	100%	100%	100%
Percentage of network updates, maintenance, or changes completed when scheduled within time allocated[7]	Not Available	Not Available	Not Available	80%	80%	80%

5. Office of Procurement Integrity & Compliance (OPIC)

Objective 1: Increase compliance with District procurement laws and regulations.

Objective 2: Systematize enterprise-wide risk assessments and response.

Office of Procurement Integrity and Compliance (OPIC)

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Number of compliance reviews and audit reports Issued	Not Available	Not Available	16	Baseline	TBD	TBD
Average number of days to complete a compliance review/audit	Not Available	Not Available	Not Available	Baseline	TBD	TBD
Percentage of sole source emergency and million dollar contracts audited	Not Available	Not Available	Not Available	100%	100%	100%
Percentage of OCP contracting officer operations reviewed/audited	Not Available	Not Available	Not Available	Baseline	TBD	TBD
Percentage of agency contracting officer operations reviewed/audited	Not Available	Not Available	100%	20%	TBD	TBD

Performance Plan Endnotes:

1. This is an industry standard. According to the FY 2010 ICMA Center for Performance Measurement, the average Dollar Amount of Central Purchasing Office Purchases per FTE was $15.71 million based on responses from 38 jurisdictions.

2. OCP will assess the appropriate number of term contracts needed to meet the District's needs on an annual basis.Therefore, no out-year projections are available.

3. This is an industry standard. According to the FY 2010 ICMA Center for Performance Measurement, 76.8 percent of respondents (for jurisdictions with a population exceeding 100,000) rated their respective Procurement Operation's performance as good to excellent.

4. This is an industry standard. According to the FY 2010 ICMA Center for Performance Measurement, the median rate of Purchase Card utilization (for jurisdictions with a population exceeding 100,000) is 2.56 percent.

5. This is an industry standard. According to the FY 2010 ICMA Center for Performance Measurement, the mean number of working days to recruit and place an internal candidate (for jurisdictions with populations exceeding 100,000) was 32.8 days.

6. This is an industry standard. According to the FY 2010 ICMA Center for Performance Measurement, the mean performance for this metric is 70.3 percent (for jurisdictions with populations exceeding 100,000).

7. This is an industry standard. According to the FY 2010 ICMA Center for Performance Measurement, the mean performance for this metric is 78.5 percent (for jurisdictions with populations exceeding 100,000).

8. All objectives and initiatives adhere to Generally Accepted Government Auditing Standards (GAGAS) established by the Comptroller General of the United States, OPIC's United States Government Accountability Office. These professional standards provide a framework for performing high quality audit work with competence, integrity, objectivity, and independence.