
Office of Contracting and Procurement

www.ocp.dc.gov

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Description	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed	% Change from FY 2014
Operating Budget	\$29,366,138	\$11,731,155	\$17,644,855	50.4
FTEs	80.4	105.0	146.0	39.0

Office of Contracting and Procurement’s (OCP) mission is to procure quality goods and services through a streamlined procurement process that is transparent and responsive to the needs of government agencies and the public, and ensures all purchases are conducted fairly and impartially.

Summary of Services

OCP purchases an average of \$1.1 billion in goods and services per year on behalf of over 74 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, contract administration support, and manages the District’s Purchase Card Program. OCP also provides surplus property management for all District agencies.

The agency’s FY 2015 proposed budget is presented in the following tables:

FY 2015 Proposed Gross Funds Operating Budget, by Revenue Type

Table PO0-1 contains the proposed FY 2015 agency budget compared to the FY 2014 approved budget. It also provides FY 2012 and FY 2013 actual expenditures.

Table PO0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2012	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
General Fund						
Local Funds	11,222	10,730	11,731	17,270	5,539	47.2
Special Purpose Revenue Funds	0	0	0	375	375	N/A
Total for General Fund	11,222	10,730	11,731	17,645	5,914	50.4
Intra-District Funds						
Intra-District Funds	17,016	18,636	0	0	0	N/A
Total for Intra-District Funds	17,016	18,636	0	0	0	N/A
Gross Funds	28,238	29,366	11,731	17,645	5,914	50.4

*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 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2015 Proposed Full-Time Equivalents, by Revenue Type

Table PO0-2 contains the proposed FY 2015 FTE level compared to the FY 2014 approved FTE level by revenue type. It also provides FY 2012 and FY 2013 actual data.

Table PO0-2

Appropriated Fund	Actual FY 2012	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change
General Fund						
Local Funds	74.0	80.4	105.0	146.0	41.0	39.0
Total for General Fund	74.0	80.4	105.0	146.0	41.0	39.0
Total Proposed FTEs	74.0	80.4	105.0	146.0	41.0	39.0

FY 2015 Proposed Operating Budget, by Comptroller Source Group

Table PO0-3 contains the proposed FY 2015 budget at the Comptroller Source Group (object class) level compared to FY 2014 approved budget. It also provides FY 2012 and FY 2013 actual expenditures.

Table PO0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2012	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
11 - Regular Pay - Continuing Full Time	5,885	6,261	8,213	12,750	4,537	55.2
12 - Regular Pay - Other	209	180	62	0	-62	-100.0
13 - Additional Gross Pay	133	157	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	1,214	1,243	1,877	3,007	1,130	60.2
15 - Overtime Pay	82	23	0	0	0	N/A
Subtotal Personal Services (PS)	7,523	7,865	10,152	15,757	5,605	55.2
20 - Supplies and Materials	102	85	70	115	45	63.6
31 - Telephone, Telegraph, Telegram, Etc.	75	10	0	0	0	N/A
40 - Other Services and Charges	20,222	20,854	674	773	99	14.7
41 - Contractual Services - Other	136	395	662	639	-23	-3.5
50 - Subsidies and Transfers	0	0	0	0	0	N/A
70 - Equipment and Equipment Rental	180	157	173	362	189	109.2
Subtotal Nonpersonal Services (NPS)	20,715	21,501	1,579	1,888	309	19.6
Gross Funds	28,238	29,366	11,731	17,645	5,914	50.4

*Percent change is based on whole dollars.

Division Description

The Office of Contracting and Procurement operates through the following 7 divisions:

Resource Management – works across agency divisions and programs to assist managers with staff recruitment, retention, and development.

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 3 activities:

- **Procurement Management and Support** – provides oversight and project management;
- **EOM and Boards Cluster/Simplified Acquisitions** – includes simplified acquisitions and DC Supply Schedule Purchases (DCSS) for all District agencies, including purchases on behalf of designated agencies serviced by this cluster; and
- **Priority Special Projects Cluster** – includes citywide and rapid response initiatives i.e. coordination and execution of emergency procurements.

Procurement Technology – provides consultative and technical support to agencies, vendors, and OCP procurement professionals, including user training and report generation; Works closely with senior management and the Office of the Chief Technology Officer (OCTO) to implement the latest technologies to promote transparency and accountability to achieve the best results.

Training – responsible for the development, maintenance, and delivery of a ‘best-in-class’ procurement training curriculum tailored to the needs of the District’s procurement professionals.

Operations – provides a range of oversight, administrative, and customer servicing support for the Office of Contracting and Procurement and customer agencies.

This division contains the following 4 activities:

- **Procurement Integrity and Compliance** – includes audit and non-audit advisory services to agency leadership, staff and affected stakeholders; initiation and conduct of independent operational performance audits and business process improvement reviews of existing procurement functions, and liaising with external auditors for OCP’s compliance with the Comprehensive Annual Financial Report (CAFR) and Single Audit;
- **Operations Management and Support** – provides oversight and project management of all operations functions, which includes the administration of OCP’s records management program;
- **Customer Service and Communications** – includes the coordination of vendor relations and language access programs; and
- **Purchase Card** – provides overall oversight and administration of the District’s Purchase Cards used in customer agencies. The Purchase Card provides an alternative delegated procurement vehicle that reduces the processing cost and delivery time for purchases within the non-competitive threshold.

Business Resources and Support Services – provides a wide range of mission critical services to OCP divisions and the agency’s customers. This division executes agency acquisitions, maintains facilities – which includes risk management, and administers the OCP fleet management program. Further, this division manages the District’s property disposal program, and in collaboration with OCP’s Procurement Division, coordinates acquisition efforts during declared emergencies.

This division contains the following 2 activities:

- **Surplus Property** – provides surplus property management, re-utilization, and disposal services to District agencies; and
- **Support Services** – includes agency acquisition services and facilities management; coordination of acquisition efforts during declared emergencies; and management of transportation assets designated for District surplus activities.

Agency Management – 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 proposed division structure changes are provided in the Agency Realignment appendix to the proposed budget, which is located at www.cfo.dc.gov on the Annual Operating Budget and Capital Plan page.

FY 2015 Proposed Operating Budget and FTEs, by Division and Activity

Table PO0-4 contains the proposed FY 2015 budget by division and activity compared to the FY 2014 approved budget. It also provides the FY 2013 actual data.

Table PO0-4

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014
(0100) Resource Management								
(0110) Resource Management	0	0	368	368	0.0	0.0	3.0	3.0
Subtotal (0100) Resource Management	0	0	368	368	0.0	0.0	3.0	3.0
(1000) Agency Management								
(1010) Personnel	0	0	7,591	7,591	0.0	0.0	69.0	69.0
(1015) Training and Employee Development	23	437	384	-53	0.0	0.0	0.0	0.0
(1020) Contracting and Procurement	19,382	754	537	-217	0.0	0.0	0.0	0.0
(1040) Information Technology	77	60	203	143	0.0	0.0	0.0	0.0
(1055) Risk Management	0	0	0	0	0.0	0.0	0.0	0.0
(1070) Fleet Management	60	15	15	0	0.0	0.0	0.0	0.0
(1090) Performance Management	359	369	480	111	2.8	3.0	4.0	1.0
Subtotal (1000) Agency Management Program	19,901	1,634	9,208	7,575	2.8	3.0	73.0	70.0
(2000) Procurement								
(2010) Procurement Management and Support	150	320	905	585	1.9	3.0	7.0	4.0
(2015) Information Technology	900	1,249	0	-1,249	8.5	12.0	0.0	-12.0
(2020) Goods	959	1,455	0	-1,455	5.7	16.0	0.0	-16.0
(2030) Services	2,099	2,656	0	-2,656	22.7	27.0	0.0	-27.0
(2040) Transportation and Special Equipment	181	208	0	-208	3.8	3.0	0.0	-3.0
(2050) Travel Card	0	0	0	0	0.0	0.0	0.0	0.0
(2055) Purchase Card	1,818	103	0	-103	1.9	1.0	0.0	-1.0
(2070) EOM and Boards Cluster/Simplified Acquisitions	0	0	953	953	0.0	0.0	10.0	10.0
(2095) Priority Special Projects Cluster	0	0	385	385	0.0	0.0	3.0	3.0
Subtotal (2000) Procurement	6,107	5,990	2,244	-3,746	44.5	62.0	20.0	-42.0
(3000) Procurement Integrity and Compliance								
(3010) Procurement Integrity and Compliance	661	733	0	-733	3.8	7.0	0.0	-7.0
(3020) Contract Administration and Analysis	0	0	0	0	2.8	0.0	0.0	0.0
Subtotal (3000) Procurement Integrity and Compliance	661	733	0	-733	6.6	7.0	0.0	-7.0
(4000) Administration and Support								
(4010) Surplus Property	788	1,103	0	-1,103	5.7	9.0	0.0	-9.0
(4020) Support Services	563	669	0	-669	5.7	7.0	0.0	-7.0
(4030) Customer Service and Communications	329	436	0	-436	5.7	6.0	0.0	-6.0
(4040) Resource Management	301	343	0	-343	2.8	3.0	0.0	-3.0
(4050) Procurement Training	271	369	0	-369	2.8	4.0	0.0	-4.0
Subtotal (4000) Administration and Support	2,252	2,920	0	-2,920	22.7	29.0	0.0	-29.0

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Table PO0-4 (Continued)

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014
(6000) Procurement Technology								
(6010) Technology Support	445	454	665	211	3.8	4.0	6.0	2.0
Subtotal (6000) Procurement Technology	445	454	665	211	3.8	4.0	6.0	2.0
(7000) Training								
(7010) Training	0	0	870	870	0.0	0.0	7.0	7.0
Subtotal (7000) Training	0	0	870	870	0.0	0.0	7.0	7.0
(8000) Operations								
(8010) Procurement Integrity and Compliance	0	0	1,407	1,407	0.0	0.0	13.0	13.0
(8020) Operations Management and Support	0	0	308	308	0.0	0.0	3.0	3.0
(8030) Customer Service and Communications	0	0	566	566	0.0	0.0	8.0	8.0
(8040) Purchase Card	0	0	120	120	0.0	0.0	1.0	1.0
Subtotal (8000) Operations	0	0	2,401	2,401	0.0	0.0	25.0	25.0
(9000) Business Resources and Support Services								
(9010) Surplus Property	0	0	1,502	1,502	0.0	0.0	7.0	7.0
(9020) Support Services	0	0	386	386	0.0	0.0	5.0	5.0
Subtotal (9000) Business Resources and Support Services	0	0	1,888	1,888	0.0	0.0	12.0	12.0
Total Proposed Operating Budget	29,366	11,731	17,645	5,914	80.4	105.0	146.0	41.0

(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 in the agency's divisions, please refer to **Schedule 30-PBB, Program Summary by Activity** in the **FY 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2015 Proposed Budget Changes

The Office of Contracting and Procurement's (OCP) proposed FY 2015 gross budget is \$17,644,855, which represents a 50.4 percent increase over its FY 2014 approved gross budget of \$11,731,155. The budget is comprised of \$17,269,855 in Local funds and \$375,000 in Special Purpose Revenue funds.

Current Services 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 2014 approved budget across multiple divisions, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2015 CSFL adjustments to the FY 2014 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 2015 CSFL budget is \$12,769,332, which represents a \$1,038,177, or 8.8 percent, increase over the FY 2014 approved Local funds budget of \$11,731,155.

CSFL Assumptions

The FY 2015 CSFL calculated for OCP included adjustment entries that are not described in detail on table 5. These adjustments include a reduction of \$111,930 to account for the removal of one-time funding appropriated in FY 2014 to support the certification of 41 employees in accordance with the "Procurement Practices Reform Amendment Act of 2010". Additionally, adjustments were made for increases of \$614,896 in personal services to account for Fringe Benefit costs based on trend and comparative analyses and the impact of cost-of-living adjustments implemented in FY 2013, and \$35,211 in nonpersonal services based on the Consumer Price Index factor of 2.4 percent.

OCP's CSFL funding for the removal of one-time salary lapse reflects an adjustment for an increase of \$500,000.

Agency Budget Submission

Increase: OCP's budget in Local funds reflects an increase of \$425,007 in nonpersonal services; primarily in Supplies, Equipment and Equipment Rental, and Other Services and Charges.

Decrease: The budget proposal in Local funds includes a reduction of \$10,815 to account for projected changes in personal services. It also has a reduction of \$414,193 for Contractual Services.

Technical Adjustment: OCP's proposed budget includes an increase of \$66,079, which represents a technical adjustment to the calculation for cost-of-living adjustments.

Mayor's Proposed Budget

Enhance: In Local funds, OCP's budget proposal includes an increase of \$4,934,444 and 41.0 FTEs to support the agency's Procurement Reform Initiative. In Special Purpose Revenue funds, the budget includes an increase of \$375,000 to support the projected cost of conducting Surplus Property sales.

District's Proposed Budget

Reduce: In Local funds, OCP's budget includes a reduction of \$500,000 to reflect an adjustment of personal services costs based on projected salary lapse savings.

FY 2014 Approved Budget to FY 2015 Proposed Budget, by Revenue Type

Table PO0-5 itemizes the changes by revenue type between the FY 2014 approved budget and the FY 2015 proposed budget.

Table PO0-5
(dollars in thousands)

DESCRIPTION	DIVISION	BUDGET	FTE
LOCAL FUNDS: FY 2014 Approved Budget and FTE		11,731	105.0
Removal of One-Time Funding	Multiple Programs	-112	0.0
Other CSFL Adjustments	Multiple Programs	1,150	0.0
LOCAL FUNDS: FY 2015 Current Services Funding Level Budget (CSFL)		12,769	105.0
Increase: To align resources with operational goals	Multiple Programs	425	0.0
Decrease: To adjust personal services	Multiple Programs	-11	0.0
Decrease: To adjust Contractual Services budget	Multiple Programs	-414	0.0
Technical Adjustment: To align budget with COLA	Operations	66	0.0
LOCAL FUNDS: FY 2015 Agency Budget Submission		12,835	105.0
Enhance: OCP procurement reform	Multiple Programs	4,934	41.0
LOCAL FUNDS: FY 2015 Mayor's Proposed Budget		17,770	146.0
Reduce: Personal services to reflect salary lapse savings	Multiple Programs	-500	0.0
LOCAL FUNDS: FY 2015 District's Proposed Budget		17,270	146.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Approved Budget and FTE		0	0.0
Enhance: To align budget with revenue projections	Multiple Programs	375	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Mayor's Proposed Budget		375	0.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2015 District's Proposed Budget		375	0.0
Gross for PO0 - Office of Contracting and Procurement		17,645	146.0

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

Agency Performance Plan¹

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

Procurement Division

Objective 1: Complete all procurements, from small purchases to complex Requests for Proposals (RFPs), as fairly and efficiently as possible.

Objective 2: Increase revenue generated and collected by the District.

Objective 3: Use the District government's purchasing power to support sustainability objectives and serve as model to other large institutions in the District (Sustainable DC Plan Actions FD3.6, JE1.3, and WS2.1).

KEY PERFORMANCE INDICATORS

Procurement Division

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Dollar amount of Central Purchasing Office purchases per FTE (in millions) ²	\$27.0	\$30.0	\$23.95	\$35.00	\$37.5	\$38.0
Percent of solicitations processed through e-Sourcing	Not Available	100%	74%	85%	90%	95%
Number of Term Contracts	5	13	157	160	160	160
Dollar amount of procurements using Term Contracts (in millions)	\$10.6	\$11.0	\$17.2	\$12.0	\$12.5	\$13.0
Percent of dollars awarded to CBE firms (operating)	12.4%	Not Available	15.6%	16.0%	18%	20%
Percent of contracts ³ awarded to CBE firms (operating) ⁴	22.3%	Not Available	24.9%	50%	50%	50%

Administration and Support Division⁵

Objective 1: Increase the knowledge base of procurement personnel to improve the overall performance consistent with the CPO theme of accountability, collaboration, and efficiency.

Objective 2: Expand the revenue-generating capacity of the Personal Property and Surplus program.

KEY PERFORMANCE INDICATORS

Administration and Support Division

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Amount of revenue generated from surplus property (millions)	\$3.85	Not Available	\$3.8	\$3.8	\$3.9	\$4.0
Number of certified non-profits using SPD program ⁶	65	90	78	85	90	90
Number of agency property officers trained on the federal reutilization website; GSAXCESS.gov ⁷	Not Available	Not Available	Not Available	20	15	10
Number of additional vendors in Sourcing Module	1,628	375	1,841	750	500	300 ⁸
Percent of customer service quality and speed criteria achieved for all calls	Not Available	Baseline	95%	95%	95%	95%

Procurement Technology Division

Objective 1: Use technology to streamline and provide quality contracts and procurements.

Objective 2: Use technology to improve transparency and compliance with governing laws and policies.

KEY PERFORMANCE INDICATORS

Procurement Technology Division

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual ⁹	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Percent of total number of issues resolved from all customers within 8 business hours (HELP DESK) ¹⁰	Not Available	90%	94%	95%	95%	95%
Percent of total number of intranet and internet updates completed within 24 business hours	Not Available	80%	98.3%	80%	80%	80%
Percent of vendor management approvals completed within 24 business hours	Not Available	90%	97.3%	90%	90%	90%

Office of Procurement Integrity and Compliance (OPIC)¹¹

Objective 1: Increase compliance with District procurement laws and regulations by implementing targeted expansions to the Audit and Compliance Program.

KEY PERFORMANCE INDICATORS¹²

Office of Procurement Integrity and Compliance (OPIC)

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual ¹³	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Number of Procurement Integrity and Compliance Division (OPIC) Reviews and Audit Reports Issued ¹⁴	16	389	127	150	150	150
Average number of days to complete a Compliance Review/Audit	8.6	14.0	20.0	30.0	30.0	30.0
Percent of Sole Source, Emergency and Million Dollar Contracts Audited	100%	100%	100%	100%	100%	100%
Percent of OCP Contracting Officer Delegations Reviewed/Audited	100%	100%	64.3%	100%	100%	100%
Percent of Agency Contracting Officer (ACO) Delegations Reviewed / Audited	23.8%	20.0%	8.7%	100%	100%	100%

Performance Plan Endnotes:

- ¹ On November 19, 2013, OCP updated its organizational structure to six divisions including the: Procurement division, Operations division (formerly the Administration and Support), Resource Management division, Business Resources and Support Services division, Training division, and the Procurement Technology division.
- ² According to the FY 2011 ICMA Center for Performance Measurement, the average dollar amount of Central Purchasing Office purchases per FTE was \$11.9 million based on responses from 32 jurisdictions with populations above 100,000.
- ³ For reporting purposes, OCP defines a contract as any purchase order equal to or exceeding \$100,000.
- ⁴ A major, but unknown portion of LSBDE spending is attributable to subcontracting, which is not captured by PASS.
- ⁵ The functions of this division have been integrated into the Operations division. See Endnote 1.
- ⁶ Includes 17 Federal "8A" entities.
- ⁷ This is a new performance measure for FY 2014; therefore, no historical data is available.
- ⁸ The projections reflect an anticipation of a saturated vendor base. The number of new vendors added, declines in later years because OCP anticipates, as use of the E-Sourcing module expands to encompass more agencies and different types of procurement actions, the vendor population will peak, with slower growth shown.
- ⁹ Actual for FY 2013.
- ¹⁰ According to the FY 2011 ICMA Center for Performance Measurement, the mean performance for this metric is 77.1 percent (for jurisdictions with populations exceeding 100,000).
- ¹¹ The Office of Procurement Integrity and Compliance has been re-aligned under OCP's new Operations division. See endnote 1.
- ¹² All objectives and initiatives adhere to Generally Accepted Government Auditing Standards (GAGAS) established by the Comptroller General of the United States. These professional standards provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence.
- ¹³ As of June 2013.
- ¹⁴ OPIC has adopted a monthly reporting cadence to accommodate the increased scope and complexity of its mandate. Records management functions for the agency were added to the division in FY 2013; the policy recommendation to audit all active delegations in FY 2014 and beyond necessitates the reallocation of resources and adjustments to audit schedules.