
Office of Contracting and Procurement

www.ocp.dc.gov

Telephone: 202-727-0252

Description	FY 2010 Actual	FY 2011 Approved	FY 2012 Proposed	% Change from FY 2011
Operating Budget	\$25,328,054	\$10,003,106	\$8,697,582	-13.1
FTEs	102.5	101.0	84.0	-16.8

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 \$1.2 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 all District agencies.

The agency's FY 2012 proposed budget is presented in the following tables:

FY 2012 Proposed Gross Funds Operating Budget, by Revenue Type

Table PO0-1 contains the proposed FY 2012 agency budget compared to the FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

Table PO0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
General Fund						
Local Funds	5,033	2,775	8,753	8,698	-55	-0.6
Special Purpose Revenue Funds	348	523	1,250	0	-1,250	-100.0
Total for General Fund	5,381	3,298	10,003	8,698	-1,306	-13.1
Intra-District Funds						
Intra-District Funds	20,405	22,030	0	0	0	N/A
Total for Intra-District Funds	20,405	22,030	0	0	0	N/A
Gross Funds	25,786	25,328	10,003	8,698	-1,306	-13.1

*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 2012 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Full-Time Equivalents, by Revenue Type

Table PO0-2 contains the proposed FY 2012 FTE level compared to the FY 2011 approved FTE level by revenue type. It also provides FY 2009 and FY 2010 actual data.

Table PO0-2

Appropriated Fund	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change
General Fund						
Local Funds	32.6	21.6	90.0	84.0	-6.0	-6.7
Special Purpose Revenue Funds	3.5	3.8	11.0	0.0	-11.0	-100.0
Total for General Fund	36.1	25.4	101.0	84.0	-17.0	-16.8
Intra-District Funds						
Intra-District Funds	69.5	77.1	0.0	0.0	0.0	N/A
Total for Intra-District Funds	69.5	77.1	0.0	0.0	0.0	N/A
Total Proposed FTEs	105.6	102.5	101.0	84.0	-17.0	-16.8

FY 2012 Proposed Operating Budget, by Comptroller Source Group

Table PO0-3 contains the proposed FY 2012 budget at the Comptroller Source Group (object class) level compared to FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

Table PO0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
11 - Regular Pay - Cont Full Time	7,706	6,133	6,883	6,354	-529	-7.7
12 - Regular Pay - Other	811	990	890	469	-421	-47.3
13 - Additional Gross Pay	607	295	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	1,525	1,289	1,465	1,386	-79	-5.4
15 - Overtime Pay	37	28	0	0	0	N/A
Subtotal Personal Services (PS)	10,686	8,735	9,237	8,209	-1,028	-11.1
20 - Supplies and Materials	41	45	79	65	-14	-18.1
30 - Energy, Comm. and Bldg Rentals	216	244	0	0	0	N/A
31 - Telephone, Telegraph, Telegram, Etc.	140	148	0	0	0	N/A
32 - Rentals - Land and Structures	9	0	0	0	0	N/A
33 - Janitorial Services	104	101	0	0	0	N/A
34 - Security Services	163	90	0	0	0	N/A
35 - Occupancy Fixed Costs	267	150	0	0	0	N/A
40 - Other Services and Charges	13,757	15,500	548	194	-354	-64.6
41 - Contractual Services - Other	215	215	80	100	20	25.0
70 - Equipment and Equipment Rental	188	101	59	130	71	120.5
Subtotal Nonpersonal Services (NPS)	15,100	16,593	766	488	-277	-36.2
Gross Funds	25,786	25,328	10,003	8,698	-1,306	-13.1

*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 law and regulation for the supplies, equipment and services needed to support agencies' missions and objectives.

This division contains the following 5 activities:

- **Information Technology** - includes the acquisition of software and hardware as well as technology services;
- **Procurement Management and Support** - provides oversight, project management and cost price analysis support;
- **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; and
- **Transportation and Specialty Equipment** - includes the acquisition of vehicles and other specialty equipment.

Administration and Support - provides internal administrative and operational support to the agency as well as surplus property management.

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, human resources, facilities management, bid room operations, front desk support, and file room management.

Performance Management - provides consultative and technical support to agencies, vendors and OCP buyers while preserving financial and environmental resources.

This division contains the following 4 activities:

- **Technology Support** – provides procurement system development and support and includes user training and report generation;

- **Communications and Customer Services** – 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;
- **Special Projects and Analysis** – provides agency goal development and monitoring, analysis, and project management; and includes the green purchasing program; and
- **Purchase Card** - provides an alternative delegated procurement vehicle that reduces the processing cost and delivery time for purchases under \$2,500.

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

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

Division Structure Change

The Office of Contracting and Procurement has no division structure changes in the FY 2012 Proposed Budget.

FY 2012 Proposed Operating Budget and FTEs, by Division and Activity

Table PO0-4 contains the proposed FY 2012 budget by division and activity compared to the FY 2011 approved budget. It also provides the FY 2010 actual data.

Table PO0-4

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011
(1000) Agency Management Program								
(1010) Personnel	367	0	0	0	1.7	0.0	0.0	0.0
(1015) Training and Employee Development	103	24	69	45	0.8	0.0	0.0	0.0
(1020) Contracting and Procurement	15,602	222	130	-92	1.7	0.0	0.0	0.0
(1030) Property Management	581	0	0	0	0.8	0.0	0.0	0.0
(1040) Information Technology	382	133	51	-82	0.0	0.0	0.0	0.0
(1070) Fleet Management	5	14	22	8	0.8	0.0	0.0	0.0
(1085) Customer Service	68	5	0	-5	2.5	0.0	0.0	0.0
(1087) Language Access	6	15	0	-15	0.0	0.0	0.0	0.0
(1090) Performance Management	485	381	432	52	2.5	6.0	4.0	-2.0
Subtotal (1000) Agency Management Program	17,599	793	705	-88	10.9	6.0	4.0	-2.0
(2000) Procurement								
(2010) Procurement Management and Support	2,378	584	690	106	23.6	5.0	7.0	2.0
(2015) Information Technology	631	1,309	700	-609	12.9	13.0	7.0	-6.0
(2020) Goods	1,092	1,227	1,076	-151	13.2	13.0	12.0	-1.0
(2030) Services	1,917	2,042	1,902	-140	22.2	23.0	19.0	-4.0
(2040) Transportation and Special Equipment	915	277	263	-14	10.7	4.0	4.0	0.0
(2055) Purchase Card	481	0	0	0	0.8	0.0	0.0	0.0
Subtotal (2000) Procurement	7,415	5,439	4,631	-808	83.4	58.0	49.0	-9.0
(3000) Procurement Integrity and Compliance								
(3010) Procurement Integrity and Compliance	100	751	793	42	0.8	7.0	7.0	0.0
Subtotal (3000) Procurement Integrity and Compliance	100	751	793	42	0.8	7.0	7.0	0.0
(4000) Administration and Support								
(4010) Surplus Property	214	675	541	-134	7.4	6.0	4.0	-2.0
(4015) Vendor Relations	0	89	0	-89	0.0	0.0	0.0	0.0
(4020) Support Services	0	1,113	837	-275	0.0	13.0	9.0	-4.0
Subtotal (4000) Administration and Support	214	1,876	1,378	-498	7.4	19.0	13.0	-6.0
(5000) Performance Management								
(5010) Contract Administration	0	129	0	-129	0.0	1.0	0.0	-1.0
(5015) Technology Support	0	406	488	81	0.0	4.0	5.0	1.0
(5020) Communications and Customer Service	0	195	126	-69	0.0	2.0	1.0	-1.0
(5030) Special Projects and Analysis	0	324	485	161	0.0	3.0	4.0	1.0
(5040) Purchase Card	0	89	91	3	0.0	1.0	1.0	0.0
Subtotal (5000) Performance Management	0	1,144	1,191	47	0.0	11.0	11.0	0.0
Total Proposed Operating Budget	25,328	10,003	8,698	-1,306	102.5	101.0	84.0	-17.0

(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 2012 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Budget Changes

Shift: OCP redirected \$213,957 from the Procurement division and \$169,552 from the Administration and Support division in Local funds as follows: \$196,249 to the Agency Management program, \$145,332 to the Performance Management division, and \$41,929 to the Procurement Integrity and Compliance division, to cover the increase in salary and fringe benefits and to align budget with nonpersonal services. \$900,000 and 7.0 FTEs were shifted from Special Purpose Revenue funding to the Local funds budget, as the associated revenues were also shifted to Local.

Transfer Out: OCP transferred out \$158,026 in Local funds for the information technology assessment to the Office of the Chief Technology Officer (OCTO) .

Cost Decrease: OCP decreased \$548,370 and 5.0 FTEs from the Procurement division, \$141,896 and 1.0 FTE from the Performance Management division, and \$51,848 from the Agency Management program to align budget with expected revenue shortfall in FY 2012. Special Purpose Revenue budget authority request was reduced by \$185,850 and 2.0 FTEs due to expected shortfall in revenue estimates. OCP reduced \$393,060 and 5.0 FTEs in Special Purpose Revenue funds because fund balance was not available for use by the agency.

Cost Increase: \$173,526 in additional funding and 2.0 FTEs were requested in Special Purpose Revenue due to anticipated revenue from the Surplus Property Division, Purchase Card program, and fund balance carryover from the previous years.

FY 2011 Approved Budget to FY 2012 Proposed Budget, by Revenue Type

Table PO0-5 itemizes the changes by revenue type between the FY 2011 approved budget and the FY 2012 proposed budget.

Table PO0-5
(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2011 Approved Budget and FTE		8,753	90.0
Cost Increase: Align budget with nonpersonal services adjustments	Agency Management Program	33	0.0
Cost Decrease: Align salaries and fringe benefits with personal services costs	Procurement	-192	-5.0
Cost Decrease: Align budget with nonpersonal services adjustments	Procurement Integrity and Compliance	-3	0.0
Cost Decrease: Align salaries and fringe benefits with personal services costs	Administration and Support	-163	-4.0
Cost Increase: Adjust salary and fringe benefits to include step increases	Performance Management	149	3.0
Cost Increase: Adjust salary and fringe benefits to include step increases	Agency Management Program	164	-1.0
Cost Decrease: Align budget with nonpersonal services adjustments	Procurement	-22	0.0
Cost Increase: Adjust salary and fringe benefits to include step increases	Procurement Integrity and Compliance	45	0.0
Cost Decrease: Align budget with nonpersonal services adjustments	Administration and Support	-7	0.0
Cost Decrease: Align budget with nonpersonal services adjustments	Performance Management	-4	0.8
FY 2012 Initial Adjusted Budget		8,753	83.8
Cost Decrease: Decrease nonpersonal services cost due to expected revenue shortfall	Agency Management Program	-52	0.0
Transfer Out: Transfer Local portion of the IT assessment to OCTO	Agency Management Program	-158	0.0
Cost Decrease: Decrease personal services cost due to expected revenue shortfall	Procurement	-548	-5.0
Shift: Shift to Special Purpose Revenue funds	Administration and Support	-56	-1.0
Cost Decrease: Decrease personal services cost due to expected revenue shortfall	Performance Management	-142	-1.0
Shift: Transfer from Special Purpose Revenue funds	Multiple Programs	900	7.2
LOCAL FUNDS: FY 2012 Proposed Budget and FTE		8,698	84.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2011 Approved Budget and FTE		1,250	11.0
Shift: Shift from Local funds	Administration and Support	56	1.0
Cost Increase: Additional funding to improve programs	Multiple Programs	174	2.0
FY 2012 Initial Adjusted Budget		1,480	14.0
Cost Decrease: To align budget with expected revenue estimates	Multiple Programs	-185	-2.0
Eliminate: Eliminate Special Purpose Revenue fund balance	Multiple Programs	-393	-5.0
Shift: Transfer to Local funds	Multiple Programs	-900	-7.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2012 Proposed Budget and FTE		0	0.0
Gross for P00 - Office of Contracting and Procurement		8,698	84.0

(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

Objective 1: Streamline and simplify the procurement process.

Objective 2: Increase the quality and value of goods and services procured by maximizing the use of the competitive market place.

Objective 3: Increase accountability through transparency and compliance with governing laws and policies.

Objective 4: Provide effective customer guidance and education in a responsive and professional manner.

Procurement

Measure	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Dollar procurement contract cost savings ¹ (GCE vs. Award Amount)	Not Available	Not Available	Not Available	TBD	TBD	TBD
Dollar amount of Central Purchasing office purchases per FTE ² (dollars in millions)	Not Available	Baseline	\$16.4	TBD	TBD	TBD
Total number of term contract vehicles ³	104	18	2	Not Available	Not Available	Not Available
Percentage of EPP term contract vehicles	Not Available	44%	50%	50%	50%	50%
Percentage of RFPs and IFBs receiving only one response	7%	10%	9 %	8%	6%	4%
Average number of days from solicitation to award for IFBs (\$100,000 and above)	Not Available	Not Available	Not Available	Baseline	TBD	TBD
Average number of days from solicitation to award for RFPs (\$100,000 and above)	Not Available	Not Available	Not Available	TBD	TBD	TBD
Number of newly active vendors	2,137	2,000	1,747	2,000	2,000	2,000

EPP: Environmentally Preferable Purchasing

FTE: Full-Time Equivalent

GCE: Government Cost Estimate

IFB: Invitation for Bid

RFP: Request for Proposals

2. Administration and Support

Objective 1: Streamline and simplify the procurement process.

Objective 2: Provide effective customer guidance and education in a responsive and professional manner.

Administration and Support

Measure	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Percentage of ACO participants who receive certification	Not Available	80%	100%	100%	100%	100%
Total number of PO's processed by ACOs under \$25,000	Not Available	300	1,373	1,100	2,000	3,000
Total dollar amount purchased by ACOs under \$25,000 (dollars in millions)	Not Available	\$2.0	\$12.9	\$10.0	\$20.0	\$30.0
Dollar value of excess property recycled to District agencies	\$816,777	\$900,000	\$922,213	\$900,000	\$900,000	\$900,000
Dollar amount of revenue generated from PPD sales	\$661,964	\$379,190	\$238,373	\$250,000	\$250,000	\$250,000

ACO: Agency Contracting Officer

PO: Purchase Orders

PPD: Personal Property Division

3. Performance Management (PM)

Objective 1: Streamline and simplify the procurement process.

Objective 2: Provide effective customer guidance and education in a responsive and professional manner.

Performance Management (PM)

Measure	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Number of vendors evaluated	153	200	191	350	500	750
Percentage of vendors receiving "F" grade on evaluations	5%	5%	3%	4%	3%	1%
Percentage of OCP customers rating OCP satisfactory or better	44%	60%	Not Available	75%	85%	95%
Percentage of purchasing conducted with Purchase Cards	Not Available	Baseline	1.3%	1.5%	1.5%	1.5%
Purchase Card utilization rate (based on total eligible purchases under \$2,500) ⁴	82%	85%	93%	100%	100%	100%
Dollar amount of PCard Rebate	\$175,874	\$100,000	\$195,850	\$100,000	\$100,000	\$100,000

4. Office of Procurement Integrity and Compliance (OPIC)

Objective 1: Streamline and simplify the procurement process.

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

Office of Procurement Integrity and Compliance (OPIC)

Measure	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Number of Final Assessment Reports issued	Baseline	12	16	15	18	21
Percentage of ACOs operations reviewed	Baseline	100%	87.5%	100%	100%	100%
Percentage of targeted remediation items cleared	Baseline	90%	94%	95%	100%	100%
Average number of days to complete an operational review	32	20	15	15	10	5
Percentage of vendor protests sustained or resulting in corrective action ⁵	Not Available	Baseline	22%	21%	21%	21%

Performance Plan Endnotes:

1. This is an industry standard. According to the FY 2007 International City/County Management Association (ICMA) Center for Performance Measurement, the average dollar amount of Central Purchasing Office purchases per FTE was \$14.1 million based on responses from 54 jurisdictions.
2. This is a base-year estimate. There are no projections for the out years.
3. 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.
4. This is an industry standard. According to the FY 2007 International City/County Management Association (ICMA) Center for Performance Measurement, the average percentage of purchases conducted with purchasing cards is 4.41 percent based on the responses of 77 jurisdictions. Please note that the ICMA number does not account for differences in policy among different jurisdictions. For instance, OCP Purchasing Card Program is only eligible for purchases under \$2,500, which on average represents about 1.75 percent of total District purchases.
5. This measurement is an industry standard. According to the FY 2007 International City/County Management Association (ICMA) Center for Performance Measurement, the average percentage of protests sustained is 21 percent. This number is based on responses from 27 jurisdictions across the country, including Washington, D.C.