

PUBLIC OVERSIGHT ROUNDTABLE
ON
DISTRICT OF COLUMBIA AGENCY COMPLIANCE
WITH SPENDING ON CERTIFIED SMALL BUSINESS
ENTERPRISES

Before the
Committee on Small and Local Business Development
Council of the District of Columbia

The Honorable Vincent B. Orange, Sr., Chairperson

December 8, 2011, 9:00AM
Council Chamber



Testimony of
Paul Lundquist
Executive Director, Office of Management and Administration
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia

Good morning, Chairman Orange and members of the Committee on Small and Local Business Development. I am Paul Lundquist, Executive Director of Management and Administration for the Office of the Chief Financial Officer (OCFO). I am pleased to appear before you to present testimony on the OCFO's utilization of Certified Business Enterprises (CBEs) during FY 2011 and our plans for doing so in FY 2012. I am also here representing the DC Lottery and Charitable Games Control Board. As you know, the DC Lottery operates under the management oversight of the Chief Financial Officer, and their procurement activity is centrally managed by the OCFO Contracts Office.

I bring regrets from Chief Financial Officer Dr. Natwar Gandhi, who is attending scheduled meetings in New York City today. Dr. Gandhi has expressed to me many times the importance of the District's efforts to support small and local business development. Healthy and growing local businesses provide multiple benefits to our community including employment for our residents and increased tax revenues. Within our own agency, the Office of the Chief Financial Officer is committed to complying with the purchasing, spending and reporting requirements regarding small and local businesses.

We have devoted considerable resources in support of the CBE program. I serve as the OCFO's Certified Business Enterprise (CBE) Compliance Officer to assure compliance with these requirements. OCFO Contracting Officer Joe Giddis supports me in these efforts and also serves as the CBE Compliance Officer for the DC Lottery. Contract Specialist Peter Lloyd and Staff Assistant Doretha Johnson provide the detailed reporting that is

required. Joe, Peter and I attended the CBE training session offered last week by the Department of Small and Local Business Development (DSLBD).

Doretha will also receive the training when she returns from leave. In addition, we have conducted in house training sessions so that each member of our contracting staff knows the importance of CBE utilization and is able to apply the law to their purchasing activities. Further, we provided guidance on CBE use to managers and purchasing liaisons throughout the agency.

OCFO Performance in FY 2011

Our commitment to the CBE goals is demonstrated by our performance in FY 2011. Based upon the calculation of the expendable budget, the CBE spending target for the OCFO agency for FY 2011 was \$1.6 million. Although FY 2011 spending totals are not yet final, our unaudited CBE total for the year stands at just over \$1.9 million, or 119% of the goal. Similarly, the FY 2011 CBE target for the DC Lottery was \$6.0 million, and unaudited FY 2011 CBE spending for the DC Lottery totaled \$6.27 million, or 104% of the goal. CBE procurements for the OCFO and DC Lottery covered a wide range of services, including advertising services, moving services, information technology consulting services, accounting and auditing services for college savings plans and pension plans, printing of District tax forms, temporary employment services, and office supplies.

FY 2012 and Beyond

For FY 2012, the OCFO will continue to employ those measures that supported our success in achieving our CBE goals. For all procurement requests valued at or below \$100,000, we will use CBE vendors if at all possible. We will also require major contracts to have 35% CBE

participation and seek waiver approval from DSLBD only when necessary. We will also continue with our outreach efforts to educate CBE vendor representatives on how to do business with the OCFO and to expand our internal customers' awareness of the CBE program.

Finally, we will also continue our positive working relationship with the DSLBD. We support their new initiatives to help streamline the reporting process. Director Pettigrew and his team have been helpful to us already and we look forward to working together on the goal of increased participation in the CBE program.

Thank you, Mr. Chairman and other members of the Committee, for this opportunity to testify on this important initiative in the District of Columbia. I am prepared to respond to any questions that you may have.