Office of Contracting and Procurement

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Description	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed	% Change from FY 2013
Operating Budget	$28,237,674	$8,970,555	$11,731,155	30.8
FTEs	74.0	85.0	105.0	23.5

The mission of the Office of Contracting and Procurement (OCP) 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 that ensures all purchasing actions 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 52 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 2014 proposed budget is presented in the following tables:

FY 2014 Proposed Gross Funds Operating Budget, by Revenue Type

Table PO0-1 contains the proposed FY 2014 agency budget compared to the FY 2013 approved budget. It also provides FY 2011 and FY 2012 actual expenditures.

Table PO0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
General Fund						
Local Funds	8,294	11,222	8,971	11,731	2,761	30.8
Special Purpose Revenue Funds	1,189	0	0	0	0	N/A
Total for General Fund	**9,483**	**11,222**	**8,971**	**11,731**	**2,761**	**30.8**
Intra-District Funds						
Intra-District Funds	15,085	17,016	0	0	0	N/A
Total for Intra-District Funds	**15,085**	**17,016**	**0**	**0**	**0**	**N/A**
Gross Funds	**24,568**	**28,238**	**8,971**	**11,731**	**2,761**	**30.8**

*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 2014 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Full-Time Equivalents, by Revenue Type

Table PO0-2 contains the proposed FY 2014 FTE level compared to the FY 2013 approved FTE level by revenue type. It also provides FY 2011 and FY 2012 actual data.

Table PO0-2

Appropriated Fund	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change
General Fund						
Local Funds	79.1	74.0	85.0	105.0	20.0	23.5
Special Purpose Revenue Funds	8.6	0.0	0.0	0.0	0.0	N/A
Total for General Fund	**87.7**	**74.0**	**85.0**	**105.0**	**20.0**	**23.5**
Total Proposed FTEs	**87.7**	**74.0**	**85.0**	**105.0**	**20.0**	**23.5**

FY 2014 Proposed Operating Budget, by Comptroller Source Group

Table PO0-3 contains the proposed FY 2014 budget at the Comptroller Source Group (object class) level compared to FY 2013 approved budget. It also provides FY 2011 and FY 2012 actual expenditures.

Table PO0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
11 - Regular Pay - Continuing Full Time	6,162	5,885	6,613	8,213	1,600	24.2
12 - Regular Pay - Other	626	209	195	62	-132	-67.9
13 - Additional Gross Pay	694	133	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	1,296	1,214	1,505	1,877	371	24.7
15 - Overtime Pay	3	82	0	0	0	N/A
Subtotal Personal Services (PS)	**8,781**	**7,523**	**8,313**	**10,152**	**1,839**	**22.1**
20 - Supplies and Materials	48	102	46	70	24	52.1
31 - Telephone, Telegraph, Telegram, Etc.	8	75	0	0	0	N/A
40 - Other Services and Charges	15,550	20,222	284	674	391	137.7
41 - Contractual Services - Other	71	136	175	662	487	278.2
70 - Equipment and Equipment Rental	110	180	153	173	20	13.1
Subtotal Nonpersonal Services (NPS)	**15,787**	**20,715**	**658**	**1,579**	**921**	**140.1**
Gross Funds	**24,568**	**28,238**	**8,971**	**11,731**	**2,761**	**30.8**

*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 including 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, and liaises with external auditors for OCP's compliance with the Comprehensive Annual Financial Report (CAFR).

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 Office of Contracting and Procurement has no division structure changes in the FY 2014 proposed budget.

FY 2014 Proposed Operating Budget and FTEs, by Division and Activity

Table PO0-4 contains the proposed FY 2014 budget by division and activity compared to the FY 2013 approved budget. It also provides the FY 2012 actual data.

Table PO0-4
(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013
(1000) Agency Management								
(1015) Training and Employee Development	105	40	437	397	0.0	0.0	0.0	0.0
(1020) Contracting and Procurement	17,124	243	754	511	0.0	0.0	0.0	0.0
(1040) Information Technology	226	80	60	-20	0.0	0.0	0.0	0.0
(1070) Fleet Management	40	14	15	0	0.0	0.0	0.0	0.0
(1090) Performance Management	408	383	369	-14	3.5	3.0	3.0	0.0
Subtotal (1000) Agency Management	**17,904**	**760**	**1,634**	**873**	**3.5**	**3.0**	**3.0**	**0.0**
(2000) Procurement								
(2010) Procurement Management and Support	165	243	320	78	6.2	2.0	3.0	1.0
(2015) Information Technology	839	940	1,249	309	6.2	9.0	12.0	3.0
(2020) Goods	651	528	1,455	927	10.6	6.0	16.0	10.0
(2030) Services	2,214	2,410	2,656	246	16.8	24.0	27.0	3.0
(2040) Transportation and Special Equipment	250	257	208	-50	3.5	4.0	3.0	-1.0
(2055) Purchase Card	3,023	199	103	-96	0.0	2.0	1.0	-1.0
Subtotal (2000) Procurement	**7,142**	**4,576**	**5,990**	**1,414**	**43.2**	**47.0**	**62.0**	**15.0**
(3000) Procurement Integrity and Compliance								
(3010) Procurement Integrity and Compliance	561	456	733	277	6.2	4.0	7.0	3.0
(3020) Contract Adminstration and Analysis	0	292	0	-292	0.0	3.0	0.0	-3.0
Subtotal (3000) Procurement Integrity and Compliance	**561**	**748**	**733**	**-15**	**6.2**	**7.0**	**7.0**	**0.0**
(4000) Administration and Support								
(4010) Surplus Property	638	823	1,103	281	3.5	6.0	9.0	3.0
(4015) Vendor Relations	101	0	0	0	0.0	0.0	0.0	0.0
(4020) Support Services	1,565	577	669	92	7.9	6.0	7.0	1.0
(4030) Customer Service and Communications	0	459	436	-23	0.0	6.0	6.0	0.0
(4040) Resource Management	0	336	343	7	0.0	3.0	3.0	0.0
(4050) Procurement Training	0	260	369	109	0.0	3.0	4.0	1.0
Subtotal (4000) Administration and Support	**2,304**	**2,455**	**2,920**	**466**	**11.5**	**24.0**	**29.0**	**5.0**
(5000) Performance Management								
(5010) Contract Administration	25	0	0	0	0.0	0.0	0.0	0.0
(5015) Technology Support	302	0	0	0	4.4	0.0	0.0	0.0
(5020) Communications and Customer Service	0	0	0	0	0.9	0.0	0.0	0.0
(5030) Special Projects and Analysis	0	0	0	0	3.5	0.0	0.0	0.0
(5040) Purchase Card	0	0	0	0	0.9	0.0	0.0	0.0
Subtotal (5000) Performance Management	**327**	**0**	**0**	**0**	**9.7**	**0.0**	**0.0**	**0.0**
(6000) Procurement Technology								
(6010) Technology Support	0	431	454	23	0.0	4.0	4.0	0.0
Subtotal (6000) Procurement Technology	**0**	**431**	**454**	**23**	**0.0**	**4.0**	**4.0**	**0.0**
Total Proposed Operating Budget	**28,238**	**8,971**	**11,731**	**2,761**	**74.0**	**85.0**	**105.0**	**20.0**

(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 2014 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Budget Changes

The Office of Contracting and Procurement's (OCP) proposed FY 2014 gross budget is $11,731,155, which represents a 30.8 percent increase over its FY 2013 approved budget of $8,970,555. The budget is comprised entirely of Local 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 2013 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 2014 CSFL budget and not necessarily changes made to the FY 2013 Local funds budget. The FY 2014 CSFL adjustments to the FY 2013 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 2014 CSFL budget is $9,049,563, which represents a $79,007, or 0.9 percent, increase over the FY 2013 approved Local funds budget of $8,970,555.

Major CSFL Cost Drivers

The FY 2014 CSFL calculated for OCP included an adjustment entry that is not described in detail on table 5. This adjustment was made for an increase of $63,225 in personal services to account for the Fringe Benefit growth rate adjustment of 4.2 percent year-over-year growth, and $15,782 in nonpersonal services based on the Consumer Price Index factor of 2.4 percent. During the development of the CSFL, some adjustments such as these were categorized as "other adjustments".

Agency Budget Submission

Increase: The FY 2014 budget proposal reflects an increase of $69,347 in personal services to support step increases and Fringe Benefits adjustments.

Decrease: OCP's budget proposal reflects a reduction of $69,347 in nonpersonal services, primarily in Equipment and Equipment Rental, to offset the increases in personal services.

Mayor's Proposed Budget

Cost-of-Living Adjustment: This agency received a proposed cost-of-living adjustment (COLA) in Local funds, which will be applied centrally from the Workforce Investments account. For more information about the COLA, please see the Workforce Investments chapter contained in Volume 3 (Agency Budget Chapters – Part II) of the FY 2014 Proposed Budget and Financial Plan.

Increase: To fund the new Procurement Reform initiative, OCP increased its personal services budget by $1,764,186 and 15.0 FTEs, and nonpersonal services by $800,000 to support staff training and consultant services. Other increases include $287,501 and 3.0 FTEs to support the Surplus Property Division and $63,098 to purchase a vehicle for the transportation of surplus property for the new initiative.

District's Proposed Budget

Increase: The proposed budget includes an increase of $154,876 in personal services to support two new positions - a Chief Learning Officer ($83,891) and an Environment Procurement Officer ($70,985). In addition, the non-personal services budget was increased by one-time funding in the amount of $111,930 to support the certification of 41 employees in accordance with the "Procurement Practices Reform Amendment Act of 2010".

Decrease: The budget includes a reduction of $500,000 to reflect a one-time adjustment of personal services cost in FY 2014, based on projected salary lapse savings.

FY 2013 Approved Budget to FY 2014 Proposed Budget, by Revenue Type

Table PO0-5 itemizes the changes by revenue type between the FY 2013 approved budget and the FY 2014 proposed budget.

Table PO0-5
(dollars in thousands)

	DIVISION	BUDGET	FTE
LOCAL FUNDS: FY 2013 Approved Budget and FTE		**8,971**	**85.0**
Other CSFL Adjustments	Multiple Programs	79	0.0
LOCAL FUNDS: FY 2014 Current Services Funding Level Budget (CSFL)		**9,050**	**85.0**
Increase: Personal services to support step increases and Fringe Benefits adjustments	Multiple Programs	69	0.0
Decrease: Nonpersonal services to offset the increases in personal services	Multiple Programs	-69	0.0
LOCAL FUNDS: FY 2014 Agency Budget Submission		**9,050**	**85.0**
Increase: Personal services to support additional personnel for the Procurement Reform initiative	Procurement	1,764	15.0
Increase: Nonpersonal services to support the Procurement Reform initiative	Agency Management	800	0.0
Increase: Personal services to support the Surplus Property Division	Administration and Support	288	3.0
Increase: Vehicle purchase to transport surplus property	Administration and Support	63	0.0
LOCAL FUNDS: FY 2014 Mayor's Proposed Budget		**11,964**	**103.0**
Increase: Personal services to support additional personnel	Multiple Programs	155	2.0
Increase: Nonpersonal services to support employee certification in accordance with the " Procurement Practices Reform Amendment Act of 2010" (One-Time)	Agency Management	112	0.0
Decrease: Personal Services to reflect one-time salary lapse savings	Multiple Programs	-500	0.0
LOCAL FUNDS: FY 2014 District's Proposed Budget		**11,731**	**105.0**
Gross for PO0 - Office of Contracting and Procurement		**11,731**	**105.0**

(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:

Procurement Division

Objective 1: Reduce Procurement Cycle Time; reduce the number of days needed to process all procurements from small purchase to complex Request for Proposals (RFPs).

Objective 2: OCP will support the Mayor's priority of Fiscal Stability by increasing revenue generated and collected.

KEY PERFORMANCE INDICATORS

Procurement Division

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Dollar Amount of Central Purchasing Office Purchases per FTE[1]	22.9	19.3	27.0	30.0	35.0	37.5
Total percentage of Solicitations processed through e-Sourcing[2]	Not Available	Not Available	Not Available	100%	100%	100%
Increase the number of Term Contracts	2	2	5	8	10	11
Procurement dollars using Term Contracts[3]	$2.3M	Not Available	$10.6M	$11.0M	$12.0M	$12.5M
Percentage of DCSS contracts migrated to E-Sourcing[4]	Not Available	Not Available	Not Available	100%	100%	100%

Administration and Support Division

Objective 1: Support Agency Initiative to reduce procurement cycle times.

Objective 2: Support Agency Initiative to further develop the Procurement Institute.

Objective 3: Support Agency Initiative to increase revenue back to the District.

KEY PERFORMANCE INDICATORS

Administration and Support Division

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Increase Revenue by 20 percent for Surplus Property	0.0%	20%	239%	20%	20%	20%
Increase certified non-profits using SPD program	0.0	34	65	25	25	25
Number of newly active vendors in Sourcing Module[5]	1,628	172	750	150	150	150
Increase the number of vendors in the "Ghost" P-Card Program[6]	Not Available	3	4	4	4	4
Percentage of Customer Service quality and speed criteria achieved for all calls[7]	Not Available	Baseline	Not Available	95%	95%	95%

Technology Division

Objective 1: Communication and Training.

Objective 2: Information distribution to Internal and External customers via web portals.

KEY PERFORMANCE INDICATORS

PASS/IT Support Team

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Percentage of total number of issues resolved from all customers within 8 business hours (HELP DESK)[8]	Not Available	80%	90%	90%	100%	100%
Percentage of total number of intranet and internet updates completed within 24 business hours[9]	Not Available	100%	95%	80%	80%	80%
Percentage of vendor management approvals completed within 24 business hours[10]	Not Available	Not Available	Not Available	90%	90%	90%

Office of Procurement Integrity and Compliance (OPIC)

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

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

KEY PERFORMANCE INDICATORS[11]

Office of Procurement Integrity and Compliance (OPIC)

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection[12]	FY 2014 Projection	FY 2015 Projection
Number of Compliance Reviews and Audit Reports Issued	16	18	389	225	150	150
Average number of Days to Complete a Compliance Review/Audit	15	10	8.6	14	14	14
Percentage of Sole Source, Emergency and Million Dollar Contracts Audited[13]	Not Available	100%	100%	100%	100%	100%
Percentage of OCP Contracting Officer Operations Reviewed/Audited[14]	Not Available	100%	100%	100%	100%	100%
Percentage of Agency Contracting Officer (ACO) Operations Reviewed/Audited	100%	20%	23.8%	20%	20%	20%

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]This is a new performance measure for FY 2013. Historical data for prior years is not available, as E-Sourcing was not fully implemented until FY 2012.

[3]This is a new performance measure. OCP did not have a target in FY 2012.

[4]This is a new performance measure for FY 2013. Historical data for prior years is not available, as E-Sourcing was not fully implemented until FY 2012.

[5]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.

[6]This is a new performance measure for FY 2013. No historical data is available.

[7]Same as endnote # 5 above. The OCP Customer Contact Center was not established until April of 2012.

[8]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). This data is not available for FY 2011.

[9]This is a new performance measure for FY 2013. The data to develop this metric for FY 2011 and FY 2012 was not maintained and is not available.

[10]Same as # 4 above. We cannot develop the percentage as we didn't track this metric, or have the capability to do in prior years. The PASS/IT Support Team processed 649 vendor management approvals in FY 2011 and 601 vendor management approvals in FY 2012.

[11]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.

[12]In FY 2013, OPIC will increase the scope and complexity of some of its audits.

[13]This is a new performance measure for a new audit program that was initiated in FY 2012. Prior year data is not available.

[14]Same as endnote # 11.