

**PUBLIC OVERSIGHT HEARING ON
CONTRACTING AND PROCUREMENT IN THE
DISTRICT OF COLUMBIA: THE UTILIZATION OF
LOCAL, SMALL, AND DISADVANTAGED BUSINESS
ENTERPRISES**

**Before the
Committee on Government Operations
Council of the District of Columbia**

The Honorable Vincent B. Orange, Sr., Chairman

**January 28, 2004, 10:00 a.m.
Council Chamber**



**Testimony of
Claudia Booker
Director of Procurement
D.C. Lottery and Charitable Games Control Board**

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

Good morning, Chairman Orange and members of the Committee on Government Operations. I am Claudia Booker, director of procurement for the D.C. Lottery and Charitable Games Control Board (D.C. Lottery). Accompanying me today is D.C. Lottery Budget Director Barry Robinson. I am pleased to appear before you to present testimony on the D.C. Lottery's utilization of Local, Small, and Disadvantaged Business Enterprises (LSDBEs).

Historically, the D.C. Lottery has been in compliance with the Equal Opportunity for Local, Small and Disadvantaged Business Enterprise Act (the Act), D.C. Code Section 2-217.01. The D.C. Lottery has filed its quarterly reports and has spent more than 50 percent of its discretionary operating expenses with LSDBEs. In fact, in fiscal year 2003, the D.C. Lottery more than tripled its small purchases with LSDBEs by expending \$285,000 compared to \$87,000 in fiscal year 2002.

In fiscal year 2003, the D.C. Lottery's actual discretionary expenditures were \$17.5 million. Of this amount, the D.C. Lottery spent nearly \$10.6 million, or 60.5 percent, on LSDBE-provided goods and services. The D.C. Lottery's Director of Procurement ensures compliance with the LSDBE Act's requirements, and the Lottery's Budget Director identifies the expenditure target and prepares the LSDBE reports. The D.C. Lottery's fiscal year 2003 LSDBE procurements included printing, moving, office supplies and furniture, promotional items, auditing, security services, temporary services, IT supplies, and the online gaming system and services. All of the certified LSDBE vendors utilized by the D.C. Lottery are located in the District of Columbia, and the D.C. Lottery expects to meet and exceed its 50 percent goal again in FY 2004.

To insure that we maintain an open door to success for local, small, and disadvantaged businesses, the Lottery continues to make it as convenient as possible for vendors to register as an LSDBE via our vendor information packet, which contains:

- The Lottery prospective vendor list application form, which includes the 20 work categories currently used by the D.C. Lottery;
- An introductory letter that outlines D.C. Lottery contracting information and contact information for the Office of Local Business Development; and,
- A LSDBE certification application and instruction documents.

This package is mailed with a stamped return envelope that is addressed to the Office of Local Business Development for the vendor's convenience.

In Fiscal Year 2003, approximately 11 percent of the contracts awarded by the D.C. Lottery (or nine percent of total dollars awarded) were to small businesses. Fifteen percent of the contracts awarded by the D.C. Lottery (or 58 percent of total dollars awarded) were to local businesses, and eight percent of the contracts awarded by the D.C. Lottery (or three percent of total dollars awarded) were to disadvantaged businesses.

For example, a major project in fiscal year 2003 was the design and production of the D.C. Lottery's Annual Report, celebrating 20 years of success. This undertaking showcased the Lottery's contributions to the District of Columbia, including the transfer of more than \$1 billion to the General Fund, since we began ticket sales in August 1982. A certified LSDBE vendor designed and oversaw the printing of the 20th Anniversary Annual Report.

The D.C. Lottery values the LSDBE program because it is a great equalizer. It is a conduit for achievement for many small firms that otherwise may not be able to market their goods and services.

Thank you, Mr. Chairman and other members of the committee, for this opportunity to testify on an important policy issue in the District of Columbia. We are prepared to respond to any questions that you may have.

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