

**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**

**Special Committee on Local, Small and Disadvantaged Business Enterprises
Council of the District of Columbia
The Honorable Kwame R. Brown, Chairman**

**March 8, 2006, 9:00 a.m.
John A. Wilson Building
Council Chamber**



**Testimony of
Angela Long
Deputy Director of Contracts
Office of the Chief Financial Officer**

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

Good morning, Chairman Orange and Chairman Brown. I am Angela Long, Deputy Director of Contracts 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 Local, Small, Disadvantaged Business Enterprises (or LSDBEs) in fiscal year 2005.

OCFO Performance in FY 2005

As you know, the formula for LSDBE compliance requires an allocation of 50 percent of the agency's expendable budget. In our annual allocation letter to the Office of Local Business Development, we documented that our total expendable budget for fiscal year 2005 was \$9,738,054. This represents the difference between our appropriated budget of \$107,053,655 and our operating expenses of \$97,315,601. Our annual set-aside target for fiscal year 2005 was \$4,869,027; this represents 50 percent of the expendable budget amount. In fiscal year 2005, the OCFO actually awarded \$4,971,070 in contracts and small purchases to LSDBEs, or 51 percent of our expendable funds. Of the awards made to LSDBEs, 100 percent were made to small contractors that are located in the District. In addition to meeting the LSDBE target, we are pleased to report that the total dollar value of LSDBE contract awards increased by more than 25 percent from FY 2004 to FY 2005.

OCFO LSDBE Utilization Policy

The OCFO uses LSDBE vendors as the preferred source for all purchases under \$100,000. The OCFO also gives strong consideration to these vendors for all other

purchases. Further, the OCFO follows the utilization policy established by Mayor's Order 2003-14 regarding LSDBE participation.

The District's Chief Financial Officer has made LSDBE compliance a component of the performance requirements for the executive director of the Office of Management and Administration (OMA), which has oversight responsibility for the Chief Financial Officer's contracting office. LSDBE compliance is, thus, a key component of the OCFO's performance measurement.

Dr. Gandhi and the OCFO contracts office are fully committed to the spirit of the law, and we are working diligently to increase our overall procurement awards to LSDBEs. The OCFO's FY 2005 LSDBE procurements included office supplies, moving services, information technology consulting services, financial consultants, printing of District tax forms, bond counsel, and temporary employment services.

Future Plans

The OCFO will continue to employ those measures that supported our success in achieving our LSDBE goals. For all procurement requests valued at or below \$100,000, we will continue to solicit LSDBE vendors as a first priority. We will also continue with LSDBE outreach efforts, to educate and train representatives on how to do business with the OCFO and to expand our internal customers' awareness about the LSDBE program. We will continue to move forward aggressively and monitor our progress carefully.

I thank you, Chairman Brown, Chairman Orange and other committee members, for this opportunity to testify on an important policy issue in the District of Columbia. I am prepared to respond to any questions that you may have.