

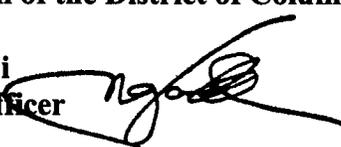
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: OCT 21 2008

SUBJECT: Fiscal Impact Statement: "Procurement Practices Act Amendment Act of 2008"

REFERENCE: Draft - No Bill Number Available

Conclusion

Funds are sufficient in the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation.

Background

The proposed legislation would amend the Procurement Practices Act of 1985¹ to:

- Add definitions for certain terms;
- Change the method by which awarding contracts is made from giving preference to competitive sealed bidding to providing that the contracting officer would determine the most appropriate method;
- Shorten from 30 days to 21 days the period for public notice by the Office of Contracting and Procurement (OCP) regarding invitations for bids;
- Reduce the small purchase limit from \$500,000 to \$100,000 for the Metropolitan Police Department and the Office of the Chief Technology Officer;
- Strike the requirement for the Chief Procurement Officer (CPO) to notify the Inspector General when a solicitation is cancelled; and

¹ Effective February 21, 1986. D.C. Law 6-85; D.C. Official Code § 2-301.01 *et seq.*

- Authorize the CPO to donate or transfer surplus supplies to tax exempt organizations under Section 501 of the Internal Revenue Code, District agencies, or a state, county, or municipal jurisdiction.

The proposed bill also includes several provisions that authorize the CPO to use various means of electronic commerce—such as the Internet, electronic mail, or a disk medium--for acquisition and disposition procedures including procurement, reverse auctions, and standard auctions.

Financial Plan Impact

Funds are sufficient in the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. OCP could absorb implementing the provisions of the proposed bill with existing resources.

The intent of the proposed legislation, in part, is to provide for greater administrative efficiencies and flexibility within OCP. While these may be realized, their impact on the budget and financial plan, if any, cannot be reliably estimated at this time.

To the extent that the CPO would use his or her authority to implement the electronic commerce provisions of the proposed legislation, s/he would be required to remain within agency appropriations when doing so. Federal and District anti-deficiency laws² prohibit District officers and employees from exceeding agency appropriations in any fiscal year.

² 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).