

Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: February 5, 2018

SUBJECT: Fiscal Impact Statement – Accessible and Transparent Procurement
Amendment Act of 2018

REFERENCE: Bill 22-395, Draft Committee Print sent to the Office of Revenue
Analysis on January 29, 2018

Conclusion

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will cost \$2.17 million in fiscal year 2018 and \$3.37 million over the four-year financial plan for the development of an electronic invoicing system. The invoicing system is subject to appropriations in an approved budget and financial plan.

Background

The bill makes three changes to District procurement requirements. First, the bill requires all contracts awarded by a District agency to include a dispute resolution clause obligating the contractor to include a provision in any subcontract that allows a subcontractor to select negotiation, mediation, or arbitration to resolve contractor-subcontractor disputes.

The bill also requires that, to the extent practicable, all contracts over \$100,000¹ be solicited through the Office of Contracting and Procurement's (OCP) electronic procurement system. Additionally, OCP must put links on its website to all solicitations over \$100,000 for all District agencies – even those exempt from the oversight of OCP.

Lastly, the bill requires the establishment of a vendor payment portal on a public website for all agencies that utilize the District's SOAR accounting system. This section of the bill is subject to appropriations in an approved budget and financial plan. The bill requires the system to:

¹ With the exception of contracts issued through the D.C. Supply Schedule.

The Honorable Phil Mendelson

FIS: Bill 22-395, "Accessible and Transparent Procurement Amendment Act of 2018," Draft Committee Print sent to the Office of Revenue Analysis on January 29, 2018

- 1) Make available all payments to vendors searchable by a variety of fields;
- 2) Allow for electronic submission of invoices by a vendor; and
- 3) Allow for electronic payment of invoices to a vendor.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will cost \$2.17 million in fiscal year 2018 and \$3.37 million over the four-year financial plan for the development of an electronic invoicing system. The invoicing system is subject to appropriations in an approved budget and financial plan. Funds have been identified within the Office of the Chief Financial officer for the system development, but a reprogramming is necessary for \$1.5 million of the funds. Some additional funds are available for project development, however if the project cannot be completed prior to the end of the fiscal year 2018, these operating funds will lapse. Finally, funds need to be identified for the annual operating and maintenance costs.

Fiscal Impact of Bill 22-395 Accessible and Transparent Procurement Amendment Act of 2018					
Fiscal Year 2018 – Fiscal Year 2021					
(\$ in thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018 – FY 2021
Development and maintenance of the electronic invoicing system and vendor web portal	\$2,170	\$400	\$400	\$400	\$3,370

OCP can implement the remaining provisions of the bill with its current resources.