

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

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

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: November 18, 2013

SUBJECT: Fiscal Impact Statement – “Procurement Practices Reform Exemption Amendment Act of 2013”

REFERENCE: Committee Print shared with the Office of Revenue Analysis on November 12, 2013

Conclusion

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill.

Background

The Procurement Practices Reform Act of 2010¹ (“the Act”) establishes the functions and policies governing the procurement of goods and services by most District agencies overseen by the Office of Contracting and Procurement (OCP) and the Chief Procurement Officer (CPO). Several agencies² are not subject to the authority of the CPO, but are still subject to the provisions of the Act. Some agencies and associated District entities³ are exempted from the Act, the reasons for which vary.

¹ The Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351.01 *et seq.*).

² The Office of the Chief Financial Officer, the University of the District of Columbia, the District of Columbia Housing Authority, the District of Columbia Public Library, the District of Columbia Public Schools, the Child and Family Services Agency (until such time as a court no longer requires the agency to be exempt from CPO authority), the Public Service Commission, the Office of the People’s Counsel, the Criminal Justice Coordinating Council, and the Department of General Services are not subject to the Authority of the CPO. (D.C. Official Code § 2-352.01(b)).

³ The District of Columbia Department of Housing Finance Agency, the District of Columbia Courts, the District Public Defender Service, the District of Columbia Advisory Neighborhood Commissions, the District of Columbia Water and Sewer Authority, the Washington Convention and Sports Authority, the District of Columbia Auditor, the Not-for-Profit Hospital Corporation, contracts receiving or granting loans, the District

The Honorable Phil Mendelson

FIS: Draft Bill, "Procurement Practices Reform Exemption Amendment Act of 2013" Committee print shared with the Office of Revenue Analysis on November 12, 2013.

The bill extends exemption from the Act and authority of the CPO to the Health Benefit Exchange Authority (HBEA)⁴ as well as the procurement of goods and services related to the production of permanent supportive housing⁵ units built with funding from any of the following agencies: the District of Columbia Department of Housing and Community Development, District of Columbia Housing Finance Agency (DCHFA), District of Columbia Housing Authority, District of Columbia Department of Human Services, and District of Columbia Department of Behavioral Health Services. OCP is not currently supporting procurements in these areas, while HBEA and DCHFA already have staff to manage such procurements.

The bill also makes some conforming and technical changes to reflect what has already been established elsewhere in law. For example, the bill changes parts of the code to exempt the Medical Liability Captive Insurance Agency from the Act, because it is already exempt from the Act in other areas of law.⁶

Lastly, the bill requires HBEA to publish procurement policies and procedures on the HBEA website.

Financial Plan Impact

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill. Exempting these agencies from standard procurement procedures with regard to permanent supportive housing projects and the health benefit exchange does not have a fiscal impact. OCP is not currently supporting procurements in these areas and staff at HBEA and DCHFA are already managing these procurements. Lastly, requiring HBEA to publish procedures on the web does not have fiscal impact.

of Columbia Retirement Board, construction on disposed property, and transfer of property are not subject to the Act. (D.C. Official Code § 2-351.05).

⁴ The Health Benefit Exchange Authority Establishment Act of 2011, effective March 2, 2012 (D.C. Law 19-94; D.C. Official Code § 31-3171.01 *et seq.*)

⁵ Permanent supportive housing is long term, community based housing with supportive services. Additional information on the program at the Department of Human Services can be found here:

(<http://dhs.dc.gov/service/permanent-supportive-housing>). Information from the United States Department of Housing and Urban and Development website on supportive housing can be found here:

(<http://portal.hud.gov/hudportal/HUD?src=/hudprograms/supportive-housing>).

⁶ D.C. Official Code § 1-307.83(14) grants the Medical Liability Captive Insurance Agency procurement authority.