


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



Fitzroy Lee
Acting Chief Financial Officer

MEMORANDUM

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

FROM: Fitzroy Lee
Acting Chief Financial Officer 

DATE: May 18, 2022

SUBJECT: Fiscal Impact Statement – Procurement Agencies Alignment Act of 2022

REFERENCE: Bill 24-215, Committee Print as provided to the Office of Revenue Analysis on May 16, 2022

Conclusion

Funds are not sufficient in the fiscal year 2022 budget and proposed fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill will cost \$1.1 million in fiscal year 2023 and \$5 million over the four year financial plan.

Background

The bill requires the Office of Contracting and Procurement (OCP) to complete an audit of the procurement activities of the Department of General Services (DGS) every two years, to include at a minimum a review of compliance with the Procurement Practices Reform Act¹, the Small and Local Business Enterprise Development Act², and the Quick Payment Act³. The report must include recommendations for improvements to DGS's procurement procedures and internal controls, acquisition planning, close-out processes and contract implementation, market research procedures, contract language, bid proposal analysis and scoring methodology, and contractor performance evaluation processes.

¹ Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371, D.C. Official Code Title II).

² Small, Local, and Disadvantaged Business Enterprise Development Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33, D.C. Official Code § 2-218.01 *et seq.*).

³ Quick Payment Act of 1984, effective March 15, 1985 (D.C. Law 5-164, D.C. Official Code § 2-221.01 *et seq.*)

The bill requires OCP to establish a training curriculum that prepares District contracting personnel for the procurement of services in specialized industries, including information technology and construction. OCP is required to consult with DGS and the Deputy Mayor for Planning and Economic Development on the curriculum. The bill requires all OCP and DGS procurement personnel to complete a minimum set of training courses to be set by the Chief Procurement Officer. OCP must regularly consult and ask agencies for feedback on procurement training needs and adjust training requirements as the Chief Procurement Officer deems appropriate. Additionally, OCP must annually review training requirements for all agencies with independent procurement authority and notify the Council of any recommended modifications to training certification requirements.

Lastly, the bill requires the Department of General Services to provide an annual acquisition plan of anticipated workload for the following fiscal year.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2022 budget and proposed fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill will cost \$1.1 million in fiscal year 2023 and \$5 million over the four year financial plan.

OCP will require four full time compliance staff to establish a process of regular review and analysis of nearly 1,700 DGS procurements per year, including over 300 complex construction contracts. OCP also requires two contractors with specialized expertise to assist with audits containing highly technical elements. Lastly, OCP will require one full time employee to design and develop new and ongoing training courses.

DGS will require an additional contract specialist to respond to questions and process improvement recommendations of the OCP personnel to minimize impact on existing workload of contract personnel. Response to general audit inquiries is a standard part of government operations and should already be built into staffing plans and budgets for most agencies. However, in addition to focusing audits only on the one agency, DGS, the bill mandates an in-depth, year-round assessment of procurement operations more complex than most individual audits.

Procurement Agencies Alignment Act of 2021 Total Cost (\$ thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
OCP Salary ^(a)	\$513	\$577	\$660	\$767	\$2,517
OCP Fringe ^(b)	\$124	\$142	\$167	\$198	\$631
NPS Contractors ^(c)	\$232	\$236	\$240	\$244	\$951
Training Survey	\$80	\$80	\$80	\$80	\$320
Training Certifications	\$20	\$20	\$20	\$20	\$80
Supplies / Equipment	\$15	\$0	\$0	\$0	\$15
Total OCP	\$983	\$1,055	\$1,166	\$1,309	\$4,514
DGS Salary ^(d)	\$93	\$94	\$96	\$98	\$380

The Honorable Phil Mendelson

FIS: Bill 24-215, "Procurement Agencies Alignment Act of 2022," Draft Committee Print as provided to the Office of Revenue Analysis on May 16, 2022

DGS Fringe ^(e)	\$26	\$27	\$28	\$29	\$110
Supplies / Equipment	\$3	\$3	\$3	\$3	\$12
Total DGS	\$122	\$121	\$124	\$127	\$491
TOTAL COST	\$1,105	\$1,177	\$1,290	\$1,436	\$5,007

Table Notes:

- (a) Includes two Grade 12, Step 7 Compliance Analysts, one Grade 12, Step 8 Compliance Analyst, one Grade 14, Step 1 Supervisory Compliance Analyst, one Grade 12, Step 7 training FTE, and cost growth of 1.75 percent.
- (b) Assumes a fringe rate of 24.1 percent and cost growth of 2.375 percent.
- (c) Includes two full-time contractors: a Compliance Analyst at an hourly rate of \$56.25 and a Data Engineer at an hourly rate of \$55.11, and cost growth of 1.75 percent.
- (d) Includes one Grade 13, Step 1 Contract Specialist, and cost growth of 1.75 percent.
- (e) Assumes a fringe rate of 28% and cost growth of 2.375 percent.