

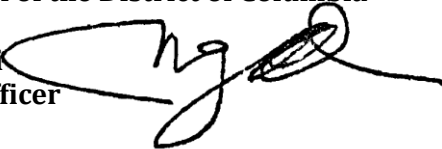
Government of the District of Columbia  
Office of the Chief Financial Officer



**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 27, 2012

**SUBJECT:** Fiscal Impact Statement – “Bad Actor Debarment and Suspension Amendment Act of 2012”

**REFERENCE:** Bill 19-701 – Draft Committee Print shared with the Office of Revenue Analysis on November 26, 2012

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**Conclusion**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

**Background**

Under current law,<sup>1</sup> a contractor may be debarred from consideration for award of contracts or subcontracts for a period of five years, if the Chief Procurement Officer (CPO) or a judicial process determines that there is cause for debarment.<sup>2</sup>

The bill requires permanent disbarment of contractors that have been debarred twice. Permanent disbarment<sup>3</sup> prohibits the contractor from being considered for any contracts at any time, unless the CPO attests in a letter to the Chairman of the Council that the debarred contractor reformed its business practices. Such a letter can be written only after ten years of debarment.

The bill also adds to the list of causes for debarment the act of submitting a bid while under suspension or debarment, unless the CPO provides a written statement regarding the bid to the Chairman of the Council.

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<sup>1</sup> D.C. Official Code § 2-359.07(a)(2).

<sup>2</sup> Causes for debarment are listed under D.C. Official Code § 2-359.07(c).

<sup>3</sup> This differs from standard debarment, which is automatically rescinded after five years.

The Honorable Phil Mendelson

FIS: Bill 19-701, "Bad Actor Debarment and Suspension Amendment Act of 2012," Draft Committee Print shared with the Office of Revenue Analysis on November 26, 2012

Additionally, the bill requires the Office of the Contracting and Procurement (OCP) to publish a list of contractors that have been disbarred or suspended and to reject any bid or proposal by a contractor on the list, unless the CPO provides a letter stating a compelling reason why it should be considered.

### **Financial Plan Impact**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. OCP is already performing the administrative requirements of the bill within its current resources, including the publishing of an excluded contractor list. The agency can implement the new rules without additional cost.