

TESTIMONY
OF
LAWRENCE PERRY
ACTING DISTRICT OF COLUMBIA AUDITOR
COMMITTEE ON BUSINESS, CONSUMER AND REGULATORY AFFAIRS
COUNCIL OF THE DISTRICT OF COLUMBIA
JULY 9, 2014

CHAIRMAN ORANGE AND MEMBERS OF THE COMMITTEE ON BUSINESS, CONSUMER AND REGULATORY AFFAIRS: I am Lawrence Perry, Acting District of Columbia Auditor. Thank you for the opportunity to appear before the Committee to discuss required SBE expenditures of District agencies.

As you know, our report issued on June 18, 2014 detailed District of Columbia agencies' compliance with Small Business Enterprise expenditure goals through the 2nd quarter of Fiscal Year 2014. The purpose of the report was to determine whether District agencies were on target to meet the required goal of procuring 50% of their expendable budgets with Small Business Enterprises in fiscal year 2014 and evaluate District agencies' compliance with SBE goal establishment and expenditure reporting requirements. Out of 82 agencies, seven agencies met the annual goal of procuring at least 50% of their goods and services from SBEs as of March 31, 2014. The 82 agencies, as a whole, spent \$50 million with SBEs through the 2nd quarter of Fiscal Year 2014. Fifty million dollars represents 6% of the total FY 2014 SBE expenditure goal, which was \$775 million at the time the report was published.

When we examine the trends in District agency expenditures with SBEs over the past three fiscal years, we are encouraged by a steady increase in spending.

- In FY 2011, District agencies spent \$107 million with SBEs.
- In FY 2012, agencies spent \$133 million with SBEs, which is a 24% increase over FY 2011.
- In FY 2013, agencies spent \$173 million with SBEs, which is a 30% increase over FY 2012.

Given the significant economic benefits to the District resulting from compliance with SBE expenditure goals, we urge DSLBD to continue to improve the oversight of SBE participation in agency procurements. We will continue to monitor the program to ensure that DSLBD's efforts facilitate meeting the goals of the Act.

Mr. Chairman, this concludes my prepared remarks. I will respond to any questions.