



# DISTRICT OF COLUMBIA GOVERNMENT DC OFFICE OF RISK MANAGEMENT

Kelly L. Valentine  
Director

February 3, 2010

The Honorable Mary M. Cheh  
Councilmember, Ward 3  
Chairperson, Committee on Government Operations  
and the Environment  
1350 Pennsylvania Avenue, NW, Suite  
Washington, DC 20004

Dear Councilmember Cheh:

The following is in response to your request for information in preparation for the Committee on Government Operations and the Environment's Public Oversight Hearing on the District of Columbia Office of Risk Management's (DCORM) FY 2009 and FY 2010 performance.

## I. Agency Organization

- 1 Please provide a complete, up-to-date organizational chart for each division within the agency including, either attached or separately, an explanation of the roles and responsibilities for each division and subdivision. **Please see attached Organizational charts and Program summaries.**
  - Please include a list of the employees (name and title) for each subdivision and the number of vacant positions. **Please see Program summaries.**
  - Please provide a narrative explanation of any organizational changes made during the previous year. **DCORM achieved a cost savings in Local Funds for FY2010 through a realignment of staffing in the RIAC and Risk Financing Divisions, by eliminating three positions.**

DCORM has two divisions:

- **Risk, Identification, Analysis and Control Division (RIAC)** - integrates the work of agency risk management representatives who systematically identify measure, analyze and document the Government of the District of Columbia's exposure to risk. Upon performing this, risk control measures are implemented to reduce the District's liability associated with the risk.
- **Risk Financing Division** – consists of two programs: Disability Compensation, Tort Liability.



supervisor) for review and approval as well. Individual supervisors are encouraged to do the following performance management activities:

1. **Conduct a planning session with the employee at the time that the Plan is created to make sure that the employee knows what is expected. Also hold year-end discussion to discuss employee's performance during the past year.**
  2. **Conduct a mid-year review to monitor and inform employee of progress**
  3. **Conduct coaching sessions throughout year or whenever necessary**
  4. **Put employee on a PIP when appropriate**
  5. **Encourage employees to take courses and/or participate in training activities to augment their performance.**
6. Please list all employees detailed to or from your agency, if any. Please provide the reason for the detail, the detailed employee's date of detail, and the detailed employee's projected date of return. **DCORM has 0 employees detailed to or from its agency.**
7. Please provide the Committee with:
- A list of all employees who receive cellphones, personal digital assistants, or similar communications devices at agency expense. **Please see Attachment 2.**
  - A list of all vehicles owned, leased, or otherwise used by the agency and to whom the vehicle is assigned. **None.**
  - A list of employee bonuses granted in FY09 and FY10, to date, if any; **None.**
  - A list of travel expenses, arranged by employee; **Please see Attachment 3.**
  - A list of the total overtime and workman's compensation payments paid in FY 09 and FY10, to date. **No workman's compensation payments paid in FY09 to date. Overtime was paid to the Tort Liability Division staff (Lana Craven, Tamonica Heard, Lynn Campbell) totaling \$2308.82.**

### III. Budget

8. Please provide a chart showing your agency's approved budget and actual spending, by program, for FY09 and FY10, to date. In addition, please describe any variance between fiscal year appropriations and actual expenditures for FY09 and FY10, to date. **Please see "RKO, BGO and RJO FY09 vs. FY10 Budget Expenditure Comparisons" Attachment 8.**
9. Please list any reprogrammings, in or out, which occurred in FY09 or FY10, to date. For each reprogramming, please list the total amount of the reprogramming, the original purposes for which the funds were dedicated, and the reprogrammed use of funds. **Please see "FY 2009 Reprogrammings – RKO & BGO" Attachment 9.**

## II. Personnel

2. Please provide a complete, up-to-date position listing for your agency, which includes the following information:
  - Title of position
  - Name of employee or statement that the position is vacant, unfunded, or proposed.
  - Date employee began in position
  - Salary and fringe, including the specific grade, series, and step of position
  - Job status (continuing/term/temporary/contract)
  - *Please list this information by program and activity - Please see Attachment 1.*
  
3. Please provide the number of FY09 full-time equivalents (FTEs) for the agency, broken down by program and activity. **DCORM currently has 20 Full time employees.** Please also note the number of vacancies at the close of FY09, by program and activity, and current vacancy information. **Please see Program summaries referenced in response to Agency Organization.**
  - For each vacant position, please note how long the position has been vacant and whether or not the position has since been filled. **At the close of FY09, DCORM had 0 vacancies.**
  - How many vacancies within the agency were posted during FY09 and FY10, to date?  
**None**
  
4. Please provide a detailed narrative description of the personnel process within the agency. Specifically, please describe how the personnel activity within the agency works in coordination with the DC Department of Human Resources to ensure that human resource needs are met.

**To attract, develop and retain a well-qualified diverse workforce, DCORM consults with the DCHR on recruitment; staffing and placement initiatives to ensure that human resource needs are met. The DCHR "Recruitment Checklist" (Attachment 5) is used to communicate the agency's needs to and receive clearance for non-competitive and competitive appointments for administrative, technical, and professional positions from DCHR**
  
5. Does the agency conduct annual performance evaluations of all its employees? **Yes.** Who conducts such evaluations? **Supervisors conduct evaluations.** What steps are taken to ensure that all agency employees are meeting individual job requirements?

**DCORM ensures that performance evaluations are completed on all of its employees. It is the responsibility of the immediate supervisor to conduct the evaluation, which includes submitting it to the reviewer (supervisor's**

15. Please provide the agency's fixed costs budget and actual spent for FY08, FY09, and FY10, to date. Please include a narrative description of any substantial changes in these costs. **Please see "Fixed Costs Analysis" Attachment 15.**
16. Please identify all legislative requirements that the agency lacks sufficient resources to properly implement. **None.**

#### **IV. Agency Programs and Policies**

17. Please list each policy initiative of your agency during FY09 and FY10, to date. For each initiative please provide:
  - A detailed description of the program
  - The name of the employee who is responsible for the program
  - The total number of FTE's assigned to the program
  - The amount of funding budgeted to the program- **Please note there is no specific funding for the policy initiatives listed below:**

##### **How Am I Driving? Program**

- i. **A detailed description of the program:** The mission of the How Am I Driving? Program is to promote a safe driving culture for District Government employees through reporting instances of safe and unsafe driving practices and mitigating exposures of risk while ensuring the safety of motorists and District Government employees.
- ii. **The name of the employee(s) who is responsible for the program:**  
Victor N. Ferreira, Jr., Occupational Safety and Health Manager
- iii. **The total number of FTE's assigned to the program:** three (3)
- iv. **The name and title of each employee assigned to the program:**  
Victor Ferreira, DCORM Occupational Safety and Health Manager  
William Thomas, DCORM Staff Assistant  
Tamara Pernell, DCORM Staff Assistant

##### **Mayoral Order 2009-160—Government & Personal Vehicle Operators Accountability Policy**

- i **A detailed description of the program:** The DCORM, in collaboration with the Office of the Attorney General (OAG) and the Office of the City Administrator (OCA), have created Mayoral Order 2009-160: *Government and Personal Vehicle Operators Accountability Policy*. This administrative issuance outlines the role of various agencies to ensure proper operation of District and personal vehicles for

10. Please provide a complete accounting for all intra-District transfers received by or transferred from the agency during FY09 or FY10, to date. Please see “FY2009 MOU Summary – ORM and Disability Compensation Fund” Attachment 10.
11. Please identify any special purpose revenue accounts maintained by, used by, or available for use by your agency during FY09 or FY10, to date. For each account, please list the following: Please see “Dedicated Taxes and Special Purpose Revenue (0600)” Attachment 11.
  - The revenue source name and code
  - The source of funding
  - A description of the program that generates the funds.
  - The amount of funds generated by each source or program in FY09 and FY10, to date
  - Expenditures of funds, including the purpose of each expenditure, for FY09 and FY10, to date
12. Please provide a list of all projects for which your agency currently has capital funds available. Please include in this list a description of each project, the amount of capital funds available for each project, a status report on each project, and planned remaining spending on the project. **None.**
13. Please provide a complete accounting of all federal stimulus funds received for FY09 and FY10, to date. **None.**
14. What steps have been taken during FY09 and FY10, to date, to reduce the following:
  - Space utilization - **To date, the agency has not had to reduce office space and it is not physically possible or practical at this time.**
  - Communications costs - **The agency has disconnected any and all unnecessary landline and cell phones resulting in budgetary savings of \$2,500.00 for FY 2009.**
  - Energy use - **The office has motion sensor lighting. The lights automatically turn on and off, based on movement detection throughout the office, to save electricity. The interior windows in each office are used as much as possible in the place of electricity to further save energy costs. Each computer has an energy saving mode when not in use.**

**Instead of using motor vehicles, the Metro transit system is used regularly for travel by employees for inspections, claims investigations, outside meetings, training, etc. to further save on gas maintenance cost as well as emissions pollution.**

government business. Specifically, DCORM is responsible for overseeing nine (9) components of the order:

- Approve all agency internal vehicle operator policies and procedures.
  - Collect and maintain FCO contact information by January 2<sup>nd</sup> of each calendar year.\*
  - Verify all District government vehicle operator drivers' licenses.\*
  - Collect vehicle registrations for all District government employees that operate personal vehicles for District government business.\*
  - Collect and maintain insurance coverage information for all District government employees who operate personal vehicles for District government business.\*
  - Collect and track Motor Vehicle Accident Report Forms within 96 hours of an accident involving a District government vehicle.
  - Supply monthly reports to FCOs and ARMRS listing tickets received.\*
  - Settle claims not exceeding \$10,000 per occurrence.
  - Manage the District's "How am I Driving?" Program.
- \*DCORM will work in conjunction with the Department of Motor Vehicles
- ii **The name of the employee(s) who is responsible for the program:**  
Victor N. Ferreira, Jr., Occupational Safety and Health Manager
- iii **The total number of FTE's assigned to the program:** two (2)
- iv **The name and title of each employee assigned to the program:**  
Victor N. Ferreira, Jr., Occupational Safety and Health Manager (2009-current)  
Evelyn Lucas, Tort Liability Manager, (FY 2009)  
William Thomas, DCORM Staff Assistant

**District of Columbia Workplace Violence Policy**

- i **A detailed description of the program:** The District of Columbia Office of Risk Management (DCORM) has been asked to review the recommendations of the Domestic Violence Fatality Review Board regarding preventing domestic violence in DC government buildings and provide a response to the Office of the City Administrator. DCORM has convened a Workplace Violence workgroup consisting of Metropolitan Police Department (MPD), Protective Services Division (PSD), District of Columbia Human Resources (DCHR), and Office of Risk Management to review the relevant District policies and provide a recommendation for a District-wide Workplace Violence policy. The purpose of this policy is to provide a workplace environment that is dedicated to the prevention and elimination of harassment, domestic violence, sexual assault, stalking and violence by establishing preventative measures, holding perpetrators

of harassment and violence accountable, and by providing assistance and support to victims.

Currently, the Workplace Violence policy is drafted and DCHR is developing the training which will be offered both online and instructor-led class.

**ii The name of the employee(s) who is responsible for the program:**

Victor N. Ferreira, Jr., Occupational Safety and Health Manager

Connie Gorum, Employee Development Specialist, Workforce Development, DCHR

Keith L. Williams, Inspector, Executive Office of the Chief of Police Division, Office of Risk Management

Amy Mauro, Program Analyst, Office of the City Administrator, Public Safety

**iii The total number of FTE's assigned to the program: one (1)**

**iv The name and title of each employee assigned to the program:**

Victor Ferreira, DCORM Occupational Safety and Health Manager

18. Please describe any initiatives your agency implemented within FY09 or FY10, to date, to improve the internal operation of the agency or the interaction of the agency with outside parties. Please describe the results, or expected results, of each initiative.

**Risk Management Information System : Tort Liability Program went live with the new Risk Management Information System, ATS. This system allows the office to maintain, manage, track claims and hold the claim adjusters to a much higher level of accountability.**

**Result: ATS has been the claims record system for the Tort Liability Division for 16 months. It allows for more granular reporting of claims data and processing.**

**New Accident/Incident Report : To improve the internal operation of the agencies, the Tort Liability Program joined forces with DPW, DDOT and DMV to develop a new accident/incident reporting process and form.**

**Result: This has provided a universal reporting document for all District agencies. In addition MPD has extended Tort review capabilities to go on line and access their database. This means that not only can Tort obtain reports**

for MPD accidents, but all of the accidents involving other agency vehicles as well (as long as MPD took the report). This has sped up the process of claims and reduced the average life of our claims from 51 to 42 days.

**Subrogation** :The Tort Liability Division partnered with MPD and DCPS to collect money owed to the city due to someone else's negligence in incidents and accidents.

**Result**: DCORM collected \$328,280.60 in FY 2009. We will continue to try and bring other agencies onboard to centralize the subrogation process.

**Return to Work**: DCORM initiated an aggressive RTW Campaign as a cost savings and containment strategy for the DCP Program. Providing injured workers with Light/Modified duty positions benefit the Employee, the Agency and the Disability Compensation Program (DCP). Savings are calculated based on the temporary disability payments injured workers would have received if the District did not provide temporary work modifications. This measure includes staff who returned to modified duty at their regular salary or in a temporary partial status and injured workers who missed no time from work because their temporary work restrictions were accommodated. The RTW strategy has reduced the financial impact on the District Government.

**Result**: In FY09 the Return to Work modified duty Cost Savings for Lost time and No Lost Time cases there was a total of 3281 days with payments of \$84,131 and total savings of \$400,454.

**Occupational Safety & Health Awareness Initiative** : The goal of this initiative is to develop standardized legislations, standards, and training requirements that will provide for a safe and healthy work environment for all District of Columbia employees and reduce the number and cost of on-the-job injuries. The initiative is working toward an Occupational Safety and Health State Plan in accordance with the Department of Labor, Occupational Safety and Health Administration (OSHA), and the adoption of national standards and best practices for the District of Columbia and its valued employees.

**Result**: The Office of Risk Management delivered Occupational Safety and Health Level 1 courses to District Government employees. We successfully trained fifteen percent (13%) of the workforce in one or more courses. In FY09, the majority of the Occupational Safety and Health training was delivered to the Office of the Chief Technology Officer (OCTO), DC Public Library (DCPL), and Child and Family Services Agency (CFSA). In

addition, the Department of Corrections (DOC) participated in “Train the Trainer” program.

**How Am I Driving? Program** : DCORM has expanded the How Am I Driving? Program for District of Columbia government vehicles. The presence of “How Am I Driving? Call 311” bumper stickers will provide added incentive to drive cautiously. DCORM continues to coordinate with agencies to put the new “How Am I Driving? Call 311” bumper stickers on all government vehicles, including DCPS.

**Result**: The bumper stickers will direct the public to dial the District’s 311 Call Center to report drivers who are not obeying traffic laws or those that they wish to commend. DCORM tracks the number of complaints and compliments, and communicates the results to District agencies for recommendations on defensive driving training and necessary disciplinary actions.

**Mayoral Order 2009-160—Government & Personal Vehicle Operators Accountability Policy**: The Mayoral Order 2009-160 intentions are to ensure proper operation of District and personal vehicles for government business.

DCORM is responsible for overseeing nine (9) components of the order, which are:

1. Approve all agency internal vehicle operator policies and procedures.
2. Collect and maintain FCO contact information by January 2<sup>nd</sup> of each calendar year.\*
3. Verify all District government vehicle operator drivers’ licenses.\*
4. Collect vehicle registrations for all District government employees that operate personal vehicles for District government business.\*
5. Collect and maintain insurance coverage information for all District government employees who operate personal vehicles for District government business.\*
6. Collect and track Motor Vehicle Accident Report Forms within 96 hours of an accident involving a District government vehicle.
7. Supply monthly reports to FCOs and ARMRs listing tickets received.\*
8. Settle claims not exceeding \$10,000 per occurrence.
9. Manage the District’s “How am I Driving?” Program.

**\*DCORM will work in conjunction with the Department of Motor Vehicles**

**Expected Results:** This Mayoral Order will assist in verifying driver's licenses for District employees driving government and/or personal vehicles for business use. It will ensure each agency has a Vehicle Operators Policy and Procedures in place making a safer environment for District employees and citizens.

19. Please provide a list of all studies, research papers, and analyses ("studies") the agency prepared, or contracted for, during FY09 and FY10, to date. Please state the status and purpose of each study.

**DCP Statutory Changes:** The purpose of the study was to determine the Best Practices for the Administration of the Disability Compensation Program as mandated by D.C. Code § 1-623.01 et. seq. The Code was reviewed and changes are being considered based upon an analysis of litigation findings and recommendations by the DCP Staff and the OAG. The following Jurisdictions were researched; Maryland, Virginia, New York, California, Pennsylvania and the Federal Government.

**Captive Actuarial Study:** ORM contracted with Aon Risk Services to provide an Actuarial Study, which was used to help determine the appropriate insurance premiums the Captive Insurance Company should be charging the policyholders. Aon also provided the Risk Assessment reports analyzing most of the policyholders currently purchasing insurance from the Company.

**Disability Compensation Program Actuarial Study:** The actuarial study consists of an actuary and a administrative consulting staff to assist ORM and its agencies, including the Third Party Administrator to develop and compile reliable workers compensation and tort liability claims financial accounting data and to produce an actuarial study valuation of the workers compensation and tort liability in accordance with Governmental Accounting Standards Board Statement No. 10, and its amended Statement No. 30. The inclusion of the actuarial estimate of the District's workers compensation liability may be found in the District's Comprehensive Financial Report (CAFR) for each respective year, if applicable. The four component liabilities are:

- DCP workers compensation program for the District's civilian employees
- Work Injury Indemnity workers compensation program for the District's uniform (non civilian) employees, specifically the Metropolitan Police Department (MPD) and Fire and Emergency Medical Services (FEMS) uniformed and non uniformed employees.
- Automobile Tort Liability program for District vehicles
- General Tort Liability program for Property, building and other legal judgments against the District

20. If applicable, please explain the impact on your agency of any legislation passed at the federal level during FY09 or FY10, to date. **NONE.**
21. Please list all regulations for which the agency is responsible for oversight or implementation. Please list by chapter and subject heading, including the date of the most recent revision.

**How Am I Driving? Program (HAID)**

**The mission of the How Am I Driving? (HAID) Program is to promote a safe driving culture for District Government employees through reporting instances of safe and unsafe driving practices and mitigating exposures of risk while ensuring the safety of motorists and District Government employees.**

**The Mayor of the District of Columbia and the City Administrator has delegated to the Office of Risk Management the authority and responsibility of oversight and implementation for HAID. The Standard Operation Procedure (SOP) for HAID was recently revised in January 2010 as a result of a DC Auditor recommendation made in a draft, "Audit of the Fleet Management Administration of the Department of Public Works, dated December 2009.**

**Mayoral Order 2009-160—Government & Personal Vehicle Operators Accountability Policy**

**The DCORM, in collaboration with the Office of the Attorney General (OAG) and the Office of the City Administrator (OCA), have created Mayoral Order 2009-160: *Government and Personal Vehicle Operators Accountability Policy*. This administrative issuance outlines the role of various agencies to ensure proper operation of District and personal vehicles for government business. Specifically, DCORM is responsible for overseeing nine (9) components of the order:**

- **Approve all agency internal vehicle operator policies and procedures.**
- **Collect and maintain FCO contact information by January 2<sup>nd</sup> of each calendar year.\***
- **Verify all District government vehicle operator drivers' licenses.\***
- **Collect vehicle registrations for all District government employees that operate personal vehicles for District government business.\***
- **Collect and maintain insurance coverage information for all District government employees who operate personal vehicles for District government business.\***

- **Collect and track Motor Vehicle Accident Report Forms within 96 hours of an accident involving a District government vehicle.**
- **Supply monthly reports to FCOs and ARMRS listing tickets received.\***
- **Settle claims not exceeding \$10,000 per occurrence.**
- **Mange the District's "How am I Driving?" Program.**

**\*DCORM will work in conjunction with the Department of Motor Vehicles**

22. Please list and describe any ongoing investigations, studies, audits, or reports on your agency or any employee of your agency, or any investigations, studies, audits, or reports on your agency or any employee of your agency that were completed during FY09 or FY10, to date.

**Captive Actuarial Study: ORM contracted with Aon Risk Services to provide an Actuarial Study, which was used to help determine the appropriate insurance premiums the Captive Insurance Company should be charging the policyholders. Aon also provided the Risk Assessment reports analyzing most of the policyholders currently purchasing insurance from the Company.**

**Disability Compensation Program Actuarial Study: The actuarial study consists of an actuary and a administrative consulting staff to assist ORM and its agencies, including the Third Party Administrator to develop and compile reliable workers compensation and tort liability claims financial accounting data and to produce an actuarial study valuation of the workers compensation and tort liability in accordance with Governmental Accounting Standards Board Statement No. 10, and its amended Statement No. 30. The inclusion of the actuarial estimate of the District's workers compensation liability may be found in the District's Comprehensive Financial Report (CAFR) for each respective year, if applicable. The four component liabilities are:**

- **DCP workers compensation program for the District's civilian employees**
- **Work Injury Indemnity workers compensation program for the District's uniform (non civilian) employees, specifically the Metropolitan Police Department (MPD) and Fire and Emergency Medical Services (FEMS) uniformed and non uniformed employees.**
- **Automobile Tort Liability program for District vehicles**
- **General Tort Liability program for Property, building and other legal judgments against the District**

23. Please identify all electronic databases maintained by your agency, including the following:
- A detailed description of the information tracked within each system

- Identification of persons who have access to each system, and whether the public can be granted access to all or part of each system
- The age of the system and any discussion of substantial upgrades that have been made or are planned to the system

#### **Tort Liability ATS system**

The Tort Liability Division uses the ATS system to input, record and maintain its claims files. This system is a web based system that is user friendly and assessable by ORM employees that have access to a District of Columbia server. The system is approximately 16 months old and replaces the previous Risk Master system that was used by the Tort Liability Division and Sedgwick CMS.

By utilizing ATS, ORM has been able to separate DSP claims involving District of Columbia employees from the tort claims filed by the general public against the government. This has allowed more privacy and eliminated the conflict of interest involved with employees having access to other employees' personal and medical information.

#### **Remedy**

The Remedy database, created September 2009, tracks safety and health inspections conducted within District Government buildings. The database allows real-time tracking of each inspection while providing all details on violation location, severity, category, and status. In addition, the database tracks District Office of the Inspector General open and unresolved recommendations by displaying the agency, report title, report date, report number, and the open/unresolved recommendation(s). The public has not been granted access to this database but the following Office of Risk Management Personnel has access to the database:

**Kelly Valentine, Director**  
**Monique LaBeach Poydras, Chief of Staff**  
**Victor Ferreira, Occupational Safety and Health Manager**  
**Thomas Herbert, Occupational Safety and Health Specialist**  
**Tamara Pernel Ferguson, Staff Assistant**  
**Tia Rucker, Staff Assistant**  
**William Thomas, Staff Assistant**

24. What has the agency done in the past year to make the activities of the agency more transparent to the public? In addition, please identify ways in which the activities of the agency and information retained by the agency could be made more transparent.

**The Tort Division has the Claim Reporting forms online for claimants to download and mail or fax in the ORM.**

25. Please identify any statutory or regulatory impediments to your agency's operations.

**Disability Compensation Program as mandated by D.C. Code § 1-623.01 et. seq.**

26. Please identify all recommendations identified by the Office of the Inspector General or the D.C. Auditor during the previous 5 years. Please note what actions have been taken to address each of these recommendations. Please see "Summary Report on (IG and DC Auditor) Recommendations (2005-present)" Attachment 7. The following recommendations and agency responses are attached:

- **Office of D.C. Auditor, Audit of the Fleet Management Administration of the Department of Public Works, draft Audit date December 2009.**
- **Office of Inspector General, Audit of District Agencies' Implementation of Audit Recommendations (OIG No. 08-1-03MA), audit date March 12, 2009.**
- **Office of Inspector General, Audit of the District of Columbia Employee Disability Compensation Program (OIG No. 06-1-07BG), audit date April 23, 2007.**
- **Office of Inspector General, Management Alert Report on Subcontractor Costs (MAR No. 06-A-11), alert report date September 28, 2006.**
- **Office of Inspector General, Audit of District Agencies' Implementation of Audit Recommendations (OIG No. 05-1-17MA), audit date August 16, 2005.**

#### **V. Contracting and Procurement**

25. Please list each contract, procurement, lease, and grant ("contract") awarded or entered into by your agency during FY09 and FY10, to date. For each contract, please provide the following information, where applicable: **Please see Attachment 4.**

- The name of the contracting party
- The nature of the contract, including the end product or service
- The dollar amount of the contract, including budgeted amount and actually spent
- The term of the contract
- Whether the contract was competitively bid or not
- The name of the agency's contract monitor and the results of any monitoring activity
- Funding source

26. Please provide a list of all MOUs currently in place and any MOUs planned for the coming year.

**The following MOU's are in currently in place for the Office of Risk Management in conjunction with the following District agencies listed below:**

- **Office of the Chief Technology Office - IT SERVUS support and maintenance for computer and IT network**
- **Executive Office of the Mayor – Administrative, telephonic and transportation support, RTS budget management**
- **Department of Human Resources – training charge back**
- **Office of Contracting and Procurement – Contracting services fees**
- **Office of the Attorney General – Legal services**
- **Department of Real Estate Services – Occupancy fixed costs.**

27. Please describe the steps taken by the agency to provide oversight and management for contracts. Specifically, how does the agency ensure that its programmatic needs are being met? How does the agency ensure that contracting actions are standardized across various programs?

**The Office of Risk Management (ORM) adheres to the same guidelines and policies for procuring good and services as directed by the Office of Contracting and Procurement (OCP). The programmatic needs are discussed and planned with OCP based on an annual procurement plan to identify the minimum need for each requirement and timeframe by which its needed.**

28. What is the process, including a timetable, for the procurement of goods and services? How many steps must the agency take in order to complete a procurement? What is the process for a sole-source procurement?

**The process time for the procurement of goods and service depends upon the criteria as sanctioned by OCP for the method of purchase and the dollar amount. Each action sent to procurement is assigned a need by date to further guide the solicitation/award process and is based upon ORM's annual procurement plan. First, we identify the minimum need for each requirement. Secondly, a procurement package is prepared with the necessary supporting documents such as Statement of Work, Invitation for Bid (IFB) or Request for Proposal (RFP), certification of funding, evaluation criteria and a list of potential bidders, etc.**

**The requisition is then created in the Procurement Automated Support System (PASS). The procurement package is sent along with the requisition**

as an attachment. The requisition is then approved by each designated approving authority in the PASS structure until it reaches OCP. Upon reaching OCP, The Contract Specialist will review the agency's acquisition histories and conduct market research. The purpose of this review is to help determine the appropriate method of procurement. Questions to be addressed include:

- 1) What is the dollar value of the requisition?
- 2) Is there an existing contract?
- 3) Is there more than one vendor capable of providing the goods or service?
- 4) What is the delivery time frame for request?
- 5) Did the previous procurement require discussions?
- 6) Will the vendors compete their products or services based on only price and price related factors?
- 7) Did the previous procurement require evaluation of a vendor's technical capabilities before making award?
- 8) Will the vendors provide products or services that are commercially available and described adequately and understood by the general public?

Based upon this review, the Contract Specialist will determine the most appropriate method of procurement. The most commonly used procurement methods and corresponding thresholds include:

**1) *P-Cards or "Micro-purchasing"***

This method is typically used for procurements up to \$2,500.

**2) *Small Purchases (RFQs)***

This method applies to procurements ranging from \$10,000 to \$100,000.

- Purchases up to \$10,000 require at least *1 written quote*.

- Purchases over \$10,000 to under \$25,000 require at least *3 verbal quotes*.

- Purchases over \$25,000 to under \$100,000 require at least *3 written quotes*.

**3) *Competitive Sealed Bids (IFBs)***

Formal solicitation required for purchases over \$100,000.

**4) *Competitive Sealed Proposals (RFPs)***

Formal solicitation required for purchases where a solution cannot be specified or for purchases over \$100,000.

If the agency is suggesting a sole source contract, then the Contract Specialist must request documents justifying that sole source contract from the program manager. If the sole source is over \$25,000, the Contract Specialist

prepares a *Determination and Findings (D&F)* package. If the sole source is \$100,000 or more, the *Chief Procurement Officer (CPO)* must review and approve the D&F.

Regardless of the procurement, if additional information or clarification is required, the Contract Specialist must request additional input from the agency program personnel.

29. Please describe the methods used by your agency to monitor contract compliance. If your agency has a written policy on contract monitoring, please provide a copy of the policy.

**The Office of Risk Management (ORM) adheres to the terms and conditions set forth in each contract and purchase to ensure that the standards set there are executed as mandated by the Office of Contracting and Procurement (OCP). We reserve the right to inspect all deliverables stated in each contract or purchase order to ensure that agency and the District has received from each contractor the agreed upon final product. ORM does not have a separate written policy concerning contract monitoring.**

## VI. Performance Plans

The following questions are based on the agency's FY09 Performance Plan.

**OBJECTIVE 1: Reduce the District Government's financial risk by \$200M or more with the implementation of a comprehensive Property Insurance Program.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this objective. Please justify this grade. **Grade - C**

**With the assistance of OCTO's GIS division, DCORM obtained a top down report of all the EOM DC Owned properties. Using the GIS list of over 4600 properties with a combined value of \$3.4B DCORM obtained quotes for property insurance premium and we have all pertinent information required to conduct property appraisals. For very basic insurance coverage, including Terrorism and Boiler/Machinery, the premium was over \$1.3M. If we obtain the funds to perform property insurance appraisals on all of the properties above 5M in value, the premium cost could change up to 15-25%.**

- How is the dollar value of the District's risk measured?

**The property premium is calculated by multiplying the rate times the property value; therefore if the property is appraised higher than the documented value in the GIS database, the premium will increase. The properties will also have to**

**be reconciled with DRES portfolio on record for accuracy. The completion of the project is pending obtaining the necessary funding to conduct the appraisals.**

**INITIATIVE 1.1: Identify the District's insurable assets.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade - C**
- Has ORM successfully “determine[d] the cost to insure all of the District's assets” by April 2009, as projected in the Performance Plan?  
**No. Please see response to Objective 1.**
- If this task has not been completed, what is the timeline for completion?  
**The completion of the project is pending obtaining the necessary funding to conduct the appraisals.**

**INITIATIVE 1.2: Conduct property valuations on the District's insurable fixed assets.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade - C**
- The Performance Plan states that “[b]y the end of April 2009, [a] contractor will complete . . . assessments and create a Property Valuation report.” Has this been done? **NO.**
- If this task has not been completed, what is the timeline for completion?  
**The completion of this task is pending the securing of funding to obtain a contractor.**

**INITIATIVE 1.3: Select an Insurance Broker.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade - C**
- Has the District entered into a contract with an insurance broker? If not, please explain. **NO. The completion of this task is pending the securing of funding to obtain a contractor.**
- In its Performance Plan, ORM estimated the cost to insure the District's portfolio at \$4.5 million. What is the actual cost?

**As noted in our response to Objective 1, for very basic insurance coverage, including Terrorism and Boiler/Machinery, the premium was over \$1.3M. If we obtain the funds to perform property insurance appraisals on all of the properties above 5M in value, the premium cost could change up to 15-25%.**

**The property premium is calculated by multiplying the rate times the property value; therefore if the property is appraised higher than the documented value in the GIS database, the premium will increase. The properties will also have to be reconciled with DRES portfolio on record for accuracy. The completion of the project is pending obtaining the necessary funding to conduct the appraisals.**

**OBJECTIVE 2: Enhance growth in the Medical Liability Captive Insurance [Agency] of 5% by soliciting participation from certain qualified Healthcare providers.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this objective. Please justify this grade. **Grade – B-**

**To date MLCIA revenue stands at \$9.02M which represents 4.88% growth over our beginning balance of \$8.6M. This increase in revenue was obtained by collecting premium during the Captive's first and second policy year and interest earned, as well as the enrollment of two healthcare providers.**

**INITIATIVE 2.1: Solicit additional [MLCIA] participants.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – C**

**Medical providers and organizations can purchase three types of insurance through the Medical Liability Captive Insurance Company, "Captive". As the Captive continues to evolve, DCORM will pursue additional ways to enable growth of revenue. In FY09, we enrolled two doctors who currently work for one of our free medical health centers: both purchased 24Hr coverage for the services they provide at other local health centers for a combined annual premium of \$14,100.**

**OBJECTIVE 3: Establish ORM as an insurance consultant for Contracting and Procurement through the authorizing agency of OCP to reduce risk assumed by the District.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this objective. Please justify this grade. **Grade – B**

**DCORM established a comprehensive COI program in conjunction with OCP to ensure full contractual compliance with insurance requirements. Certificates of Insurance (COIs) were loaded into the new online tracking system COITS providing confirmation of compliance by 29 out of 55 agencies under OCP procurement authority, who submitted 195 COIs relating to 387 contracts. The COI tracking website has proven to be very useful for contracting officers who consult with DCORM for adequate insurance contract language and then submit the COI to DCORM for web-posting approval. COITS has been a key enforcement driver for the insurance contract compliance effort.**

**INITIATIVE 3.1: Develop minimum insurance requirements that can be shared across all District Agencies.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – B+**

In FY 09 DCORM collaborated with OCP to develop new insurance requirements and standards for all contracting officers, and revised the contract template for the insurance section. The policy was posted on OCP's internet and intranet sites. The name of the document is "Insurance Policy (OCP Policy 9004.01)", but it has been revised to include measures for accountability. The revision of this language, which is in the process of signature now, requires the direct involvement of ORM in the initial stages of contract development. Independent agencies are also consulting with ORM for adequate insurance language.

ORM will continue to facilitate the training that will be offered throughout the fiscal year to educate OCP and others on what the minimum insurance requirements are, how they have changed, and the issues that could arise with enforcement.

**OBJECTIVE 4: Increase Public Occupational Safety and Health Awareness District-wide.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – B**

**DCORM successfully implemented a District-wide public occupational safety and health awareness campaign by training 13% of the District Government's employees exceeding the 10% goal.**

- Has the agency partnered with the Department of Consumer Affairs or other agencies in pursuit of this objective? Please describe the nature of any arrangements made with other District agencies.

**Department of Human Resources (DCHR)**

The Office of Risk Management has partnered with several agencies and contractors in order increase safety and health awareness District-wide. The Department of Human Resources (DCHR) delivers a web-based series of training which follows the OSHA established process and procedures to ensure compliance with federal health and safety regulations for District employees. In addition, the Office of Risk Management and the University of Maryland, Maryland Fire and Rescue Institute (MFR) have partnered to deliver trench construction and safety awareness training to our workforce.

**District of Columbia Workplace Violence Policy**

The District of Columbia Office of Risk Management (DCORM) has been asked to review the recommendations of the Domestic Violence Fatality Review Board regarding preventing domestic violence in DC government buildings and provide a response to the Office of the City Administrator. DCORM has convened a Workplace Violence workgroup consisting of Metropolitan Police Department (MPD), Protective Services Division (PSD),

**District of Columbia Human Resources (DCHR), and Office of Risk Management to review the relevant District policies and provide a recommendation for a District-wide Workplace Violence policy. The purpose of this policy is to provide a workplace environment that is dedicated to the prevention and elimination of harassment, domestic violence, sexual assault, stalking and violence by establishing preventative measures, holding perpetrators of harassment and violence accountable, and by providing assistance and support to victims.**

**Currently, the Workplace Violence policy is drafted and DCHR is developing the training which will be offered both online and instructor-led class.**

**Members of the task force are as follows: Victor N. Ferreira, Jr., Occupational Safety and Health Manager, Connie Gorum, Employee Development Specialist, Workforce Development, DCHR, Keith L. Williams, Inspector, Executive Office of the Chief of Police Division, Office of Risk Management, and Amy Mauro, Program Analyst, Office of the City Administrator, Public Safety.**

**INITIATIVE 4.1: Implement a District-wide public occupational safety and health awareness campaign.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – B**

**DCORM successfully implemented a District-wide public occupational safety and health awareness campaign by training 13% of the District Government's employees exceeding the 10% goal. In FY09, the Occupational Safety and Health training was delivered to the Office of the Chief Technology Officer (OCTO), Public Library (DCPL), and Child and Family Services Agency (CFSA), Department of Transportation (DDOT), to name a few agencies. In addition, the Department of Corrections (DOC) participated in "Train the Trainer" program. The agency benefited greatly from the program due to flexibility and convenience of training their employees at their own time and pace. We look forward to including more agencies in the "Train the Trainer" program.**

- The performance plan states that the Office of Enforcement and Environmental Justice expected to recover \$50,000 in unpaid fines through this program. Was that target met? If not, why? **DCORM was not responsible for the measure as stated not was aware of the measure for this initiative.**

**INITIATIVE 4.2: Conduct environmental and structural inspections at District Government buildings.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – B**

**The Office of Risk Management conducted a total of 429 environmental/structural inspections and 218 re-inspections at District Government buildings. Upon completion of every inspection, an inspection report is generated. The copy of the inspection report goes to the Agency Risk Management Representative, Building Manager, and Director of the agency. The Occupational Safety and Health Specialist works closely with the Department of Real Estate Services (DRES) and the agency to abate the violations in order to ensure a safe work environment.**

- Please identify all buildings that were inspected and a summary of the results of each inspection. **Please see “Inspection Summary and Report” Attachment 6.**
- Has this information been made public, or shared with employees of the respective agencies? **Yes. This information is shared with Agency Risk Management Representatives, District officials ( i.e. Building Managers) from Department of Real Estate (DRES) and Agency Directors.**

**INITIATIVE 4.3: Compile and analyze inspection results in preparation to submit an environmental/building improvement proposal to OPM and/or building “landlords” that focus on developing solutions to improve the safety and health environment for District employees.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade- C+**

**DCORM assisted with providing the requirements for the creation of a new database to compile and analyze inspection results. Implementation of the new system went live November 2009. DRES along with ORM will have access to a program that will capture current inspection results, hazards found, severity of hazard, and create customized reports. This database will assist DRES with real-time information on environmental/building inspection violations and allow them to take immediate action on work place hazards. This will improve the safety and health environment for District employees.**

**This goal will continue into FY10. Recommendations to mitigate violations within 30 to 60 days were handled manually. Environmental proposal was not submitted, although individual agency inspections with recommendations were submitted to DRES and District agencies affected.**

- Please provide an update on the status of the “environmental/building improvement proposal.” If this document has been created, please provide a copy to the Committee. **Document has not been created.**

**OBJECTIVE 5: Implement a “How Am I Driving? Call 311” Program for District of Columbia Government Vehicles.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this objective. Please justify this grade. **Grade – B+**

**DCORMs “How Am I Driving?” Campaign promotes a safe driving culture for District government employees through reporting instances of safe and unsafe driving practices and mitigating exposures of risk while ensuring the safety of motorists and District government employees. In FY09, DCORM provided 3210 bumper stickers and inserted Accident Reporting Procedure packets into District Government vehicles identified after the District-wide fleet reduction.**

**INITIATIVE 5.1: Affix “How am I Driving? Call 311” bumper stickers and insert Accident Reporting Procedures packets into glove compartments of 100% of District government vehicles that are identified after the District-wide fleet reduction initiative.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – B+**  
**Please see response to Objective 5.**
- What percentage of District vehicles received the stickers and packets? **100 percent**

**INITIATIVE 5.2: Work closely with the 311 Call Center Manager and all Agency Risk Management Representatives (ARMR’s) to track the calls from the 311 center by agency, by complain versus compliment.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – C+**
- How many calls have been received about drivers’ performance?
- How are these calls tracked?

**DCORM tracked the 1210 calls with the Call Center Manager and Agency Risk Management representatives. DCORM establish a standard operating procedure to include the following Responsibilities of DC Office of Risk Management (DCORM):**

- **On a daily basis, DCORM’s Analysts will monitor, extract and review the compliment/complaint information that is in the Motorola Premier One CSR System, which is entered by Office of Unified Communication’s Customer Service Representatives. At that point, the Analyst will extract the data and insert it into the monthly “How Am I Driving?” Tracking Log.**
- **Submit all complaints/compliments received to the Agency Risk Management Representatives (ARMR) and/or certifying Fleet Officials at District Government Agencies within three (3) business days of the date of the incident.**

- **Once submitted to the agency official, the response to the complaint should be submitted back to DCORM within fifteen (15) business days of receipt of report.**
- **If a resolution is not received after the fifteen (15) business days, the ARMR and/or the FCO will receive an email reminder from DCORM Chief of Staff.**

**OBJECTIVE 6: Implement various cost saving measures within the Disability Compensation Program (DCP) to help reduce DCP costs by 5 percent.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this objective. Please justify this grade. **Grade – D.**

**In FY09 total paid was \$22,063,692.89. This represents a slight decrease of \$172,601.76 to FY08's figure of \$22,236,294.65. Average paid per claim in FY09 was \$10,694.96 which is an increase from the FY08 average of \$10,664.89. However, it is noted there were fewer claims paid in FY09. There were 2,063 claims with payments in FY09. This represents a decrease of 22 claims as compared to FY08. It is noted there were reductions in permanent total cases by (8) from 246 in FY08 with total payout of \$5,015,545 to 238 in FY09 with total payout of \$4,716,478. A review of settlements and large payments of \$10,000 or greater reveals a total payout of \$2,158,966.98. Payments include settlements, Temporary Total Disability payments due to order, back COLA adjustments.**

- Please evaluate the work of Sedgwick/CMS as the Third Party Administrator for the DCP. **Grade - F**
- When is the contract with Sedgwick/CMS up for renewal?  
**Contract Award Date: December 1, 2008 (three year base period with two option years). The first base year ended on November 30, 2009 and the second base year began on December 1, 2009. The contract years will end on November 30<sup>th</sup> and should be renewed by December 1 until the base years are completed. Then we can excise the option years if desired.**
- How does your agency respond to complaints about the Third Party Administrator? Are these complaints tracked? **Yes. DCORM has a formal tracking system compiled by the Administrative Officer.**
- Has your agency taken any corrective action against Sedgwick/CMS regarding their work under the contract? **Yes, DCORM has taken corrective action(s) against the TPA. The TPA reimburses the District Government for any overpayments, errors and omissions due to their negligence.**

**INITIATIVE 6.1: Effectively measure the outcome of our program with a goal of an overall cost reduction of 5 percent.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – D**  
**Please see response to Objective 6.**

**INITIATIVE 6.2: Implement a District Wide Intranet Light/Modified Duty Job Depository.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – B+**

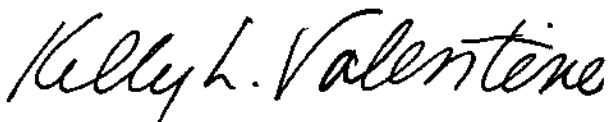
**There were a total of 118 injured workers. Seventy-four injured workers were provided light duty work and 44 referred to other agencies via District of Columbia's Return To Work Program. Eighteen Agencies made accommodations for light duty work. In reviewing the Return to Work/ light duty or modified duty Cost Savings there was a total of 3281 days with payments of \$84,131 and total savings of \$400,454. Savings are calculated based on what the injured Workers would have been paid in temporary total disability if the District was not able to provide temporary work modifications.**

**INITIATIVE 6.3: Reduce Lost Wage Payments to Injured Workers as a result of their Return to Work Light/Modified Duty.**

- Please assign the agency a letter grade, from A to F, based on whether it accomplished this initiative. Please justify this grade. **Grade – B+**

**Please see response to Initiative 6.2.**

Sincerely,



Kelly L. Valentine

**Attachment(s)**