



The Our American States podcast—produced by the National Conference of State Legislatures—is where you hear compelling conversations that tell the story of America’s state legislatures, the people in them, and the policies, process and politics that shape them.

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Procurement During the Pandemic: Lessons Learned | June 14, 2021 | OAS Episode 133

Ed: Hello and welcome to “Our American States,” a podcast from the National Conference of State Legislatures. This podcast is all about legislatures: the people in them, the policies, process and politics that shape them. I’m your host, Ed Smith.

“The difference this time in the district was just the scale. This was not a four-day event, a snowstorm. This was an event across the world frankly.”

That was George Schutter, Chief Procurement Officer for the District of Columbia. He’s a guest on the podcast along with Lindle Hatton, the CEO of the National Association of State Procurement Officials, or NASPO.

States faced myriad challenges trying to acquire everything from personal protective equipment to hospital sinks during the pandemic. My two guests discuss when the emergency first became clear, the mad rush to acquire goods, how emergency operations centers were activated during the crisis, and the key lessons learned. They offer some advice for legislators and suggest policy and process changes for the next emergency.

George and Lindle, welcome to the podcast.

George: Thanks, Ed. Appreciate it.

Lindle: Thank you, Ed.

Ed: Well, thanks to both of you for taking the time to be on the show and talk to our listeners about some of the challenges and successes in the area of state procurement over the past year. I’d like to start with some basics for listeners who may not be all that familiar with the critical role procurement plays.

Time Marker (TM): 01:41

Ed: George, let's start with you. Can you talk a little bit about your responsibilities as the Chief Procurement Officer for the District of Columbia?

George: Sure. Thanks, Ed, I appreciate it. As the Chief Procurement Officer for the District of Columbia, I'm appointed by Mayor Bowser. You have the responsibility of managing the procurement and contracting system in the district and we do that through contracting officers and chief contracting officers that are either embedded within agencies in the district or work from a central place to support the contract and procurement needs.

So, of about 85 agencies in the district, we provide the central contracting services for 74 of those agencies, everything from bridges and roads with our transportation department to systems with our chief technology officer.

We also provide the services of surplus property. So, at the end of life for commodities, we'll either reutilize them or sell them or recycle them.

TM: 02:50

Ed: So, how did you handle things with the pandemic in the last year?

George: COVID has been quite an evolution. In the district, as you can imagine, we have a lot of events where we will establish the emergency operation center. Every time there's an inauguration, the Fourth of July, we have a lot of events that require coordination. So, we're quite versed in the emergency operation center and we have contracting officers that are embedded within the emergency operation center during emergencies, and that was no different this time.

The difference this time in the district was just the scale. This was not a four-day event, a snowstorm. This was an event across the world frankly that required a whole lot of contracting support. So, the difference here in the district was really that expansive operation to include really needing to expand into a strategic logistics center on the receipt of commodities: personal protective equipment, the items that came in when we were building out our alternate care site for a 500-bed hospital, so the build-out of that.

Really a tremendous, I think, display of coordination at the district. It has been an intense year, that's for sure.

TM: 04:16

Ed: I can only imagine. Lindle, let me turn to you. Could you talk about your role leading NASPO and the role NASPO plays in supporting state procurement officers?

Lindle: Certainly, thanks Ed. I'm Lindle Hatton, the Chief Executive Officer for the National Association of State Procurement Officials. That is our official title/name. We go by NASPO, the acronym obviously. We represent all of the 50 states, the District of Columbia and U.S. territories. Those chief procurement officials within those jurisdictions and states, that is representative of our primary members as well as the central procurement staff that supports them in their responsibilities relative to purchasing.

Part of what we do at NASPO for our members is we provide professional development through training, certification and higher education relationships that we have. In addition, we have value point, which is a division, the cooperative purchasing division of NASPO. So NASPO provides service to our members, if you will, in terms of the needed products and services side as far as cooperative purchasing, while at the same time we are committed to elevating the public procurement profession through the training and professional development that I described.

TM: 05:46

Ed: Well, I'm sure over the last year you spent a lot of time over the phone and on Zoom calls with procurement officials around the country. What were the biggest challenges they faced?

Lindle: Well, as George mentioned early on, this pandemic presented a whole set of new challenges. For some states it was totally new; for others they were well prepared because they exist in disasters on a frequent basis throughout the year, so they probably were the best prepared.

But regardless, every state in the country was competing because of COVID. They were competing for the same supplies: PPE, cleaning products, looking for remote work solutions. All of a sudden, things were shut down and they were asked to shift away from the office to a more work-from-home model, and that presented another set of challenges either because of technology or things of that nature.

So, there was a high demand for all of this: supplies, resources, staff working remotely from home, technology. There were supply chain issues getting the needed product from cradle to grave if you will, point of distribution to the end user where it was needed. All of those issues presented in a different form were a challenge for our members, which previously many of them were not quite prepared for.

And, as was demonstrated on a federal level, the strategic stockpile issue arose as well. So, from supply chain issues to just-in-time inventory management and old stock that was there, it was a very challenging time.

TM: 07:31

Ed: George, let me turn back to you. You were just saying this was certainly not your first emergency, but this was different. When did you realize it was going to be unlike anything you or your staff had dealt with before?

George: I think it was probably in late January or early February when speaking with my fire chief and police chief and talking about what do they need to engage with residents that may be exposed to this, and looking through and understanding just the volume that we needed and having early discussions with colleagues and knowing that this was not in one area, not in one city, not in one region, and not in one country, but really global needs for the same commodities and services.

So, I knew that contracting and procurement was going to be really a key focus to be able to get jurisdictions what they needed in order to survive the pandemic.

TM: 08:36

Ed: We all read a lot of news stories about how difficult it was to get personal protective equipment. I wonder if you could talk about what made it so difficult, and what were the other things you had trouble getting your hands on?

George: The difficulty in getting them is what I was mentioning before. Everybody was after the same products, right? Everybody needed the same nitro gloves, the same N95 rated masks. So, it truly was a supply and demand thing.

Now, what we were buying, what we were procuring, yes, there was a whole lot of focus on PPE. And that was a piece of it, but certainly ventilators, medical services, testing supplies, testing kits, the technicians that need to administer, the needles and the swabs and the items that are needed to do testing.

Rolling through, as you think about the pandemic, in a number of weeks you had a number of alternate care facilities being established: the hospitals. So, everybody was looking for the same hospital beds, the same sinks, the medical staff that is needed to fill those out.

And then you have a whole other side of systems: systems for testing, systems for registration to get signed up for a vaccination, call centers, quarantine sites, hand sanitizer, disinfectants, cleaning services. So, we do hear a lot about PPE, but probably put it around 10 or 15% of the exercise.

TM: 10:22

Ed: Well, it sounds like you needed just about everything. Lindle, let me turn to you and ask about the study NASPO did on the challenges to procurement during the pandemic. One thing I've found doing dozens of podcasts on the pandemic is that in some cases, existing problems were magnified, sometimes new challenges arose, and sometimes it was a combination of both. What did your research find?

Lindle: Well, Ed, the study I think was very timely. It brought forward some great best practices and lessons learned. We were very fortunate. We had approximately 47/48 states that participated and the District of Columbia. There were over 100 hours of interviews conducted by our research team. It was fairly robust, not just with our members but with other key strategic partners as well to assess what were the problems, what were the challenges.

And what we were seeing was that there was a range of preparedness among the various players. Those that operated from the emergency operation system, EOC or emergency management protocol there, those that had complete teams there, meaning not just the governor and administrative team, things of that nature, but they included procurement officials. They were best prepared to respond to those challenges, whether it was getting needed PPE, medical supplies and product, putting communications in place to best facilitate getting those products into their states, into the hands of the recipients that needed those items.

And when they did not have the engagement of procurement officials, then a number of issues came up: fraudulent practices, not having the best networks, not having the best contacts. Even in situations as George noted, there were circumstances where people were competing with one another at the very docks where they were down receiving. Whoever had the cash in hand, they were the winners.

The minute you had people that were well networked, they were communicating, had strong partnerships, had strong supply chain networks, then those problems and issues could be mitigated.

But from our study we found to the extent that procurement officials were involved in the EOC, those were the best possible outcomes. When they were not involved, then you had any number of issues arising, not just supply chain management problems, but also procurement violations. You had activities dealing with suppliers that had not been properly vetted, any number of things like this that arose.

It was a great opportunity for us to tell the story of what worked well when our members were involved and what did not work well when they were removed from that decision table.

TM: 13:32

Ed: Well, were you able to come up with some best practices for next time? Because everyone I've talked to in many different fields has said: We need to be better prepared the next time we have a crisis on this scale.

Lindle: Absolutely. That was the strongest message, to be better prepared, which means you've got to go back to your emergency manual, if you will, the player's guide to say: Okay, what's the protocol that you should follow? Who should be involved in this disaster? Who should run point? To what extent should your network be strong? What partnerships have you developed?

All of these things are key, very important, to bring about a well-managed situation, to mitigate the challenges that arise from a disaster. And when you don't have them in place, if you don't have a good protocol to follow, a protocol in order to be administered, problems will arise.

Ed: Thank you, Lindle. We're going to take a quick break and come back with the rest of our discussion.

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TM: 15:11

Ed: I'm back with George Schutter and Lindle Hatton. George, let me come back to you. You mentioned, as did Lindle, the use of emergency management centers. For those of us on the outside, emergency management centers are what you use when there's a blizzard or a hurricane, something that might go on for a week.

I wonder if you could talk about how you used the emergency management center in DC during this crisis.

George: Sure, Ed. In the district, as I mentioned before, we do have a fairly robust emergency operation center, both operations and systems as well as a physical location. There is a physical location with the key staff, the key stakeholders of the emergency: security staff, police, fire, logistics, contracting, and then whichever agency is the key focus, this one being health.

And so, we did follow that initial emergency operation center and fairly quickly moved our physical operation to the health department because they were the lead agency. And so, we replicated an emergency operation center in the health area.

The other robust piece of those EOC operations is having the tools there to be able to manage the emergency. From a contracting logistics perspective, we have in place in our EOC the system to be able to requisition items and commodities and services that are needed in the very fluid environment of the emergency itself.

TM: 16:54

Ed: George, as you look back over the past year, what are the key lessons for you? If you were giving a speech on lessons learned, what would you say?

George: Coordination and knowing the players before the emergency, right? And a lot of that has to do with training and exercises. And so, in the district, for example, we have a couple exercises a year, usually one for snow and one for something else. You have the key players, whether they're the financial managers that have to approve the funding or the contracting officers that need to acquire the goods, to include bringing in key contractors. For example, with a snowstorm, making sure that you've got the contractors that are going to support those operations as well.

So, I think a big lesson learned is making sure that you know the players and the people and having those contacts established prior to the emergency. And having the systems in place prior to the emergency to be able to manage.

I think another lesson learned that I've heard in a number of different states is being able to continue the ability of the logistics function of warehousing and receiving and distributing commodities efficiently throughout the jurisdiction.

TM: 18:24

Ed: Lindle, how about you? What goes in your speech?

Lindle: Well certainly, number one, I agree with George: preparedness is very important. Whatever partnerships that have been developed, whatever networks that have been identified and developed over time, those become very, very important and critical when it comes to saying you are prepared, because if you don't have those in place, when the disaster hits, it's too late. You're behind the eight ball before you ever start.

I think it's very, very important to be willing to be part of the solution. Be the solution. And the way you be the solution is to build trust. Demonstrate that you are a good source that folks should turn to. Procurement officers, they are all about the how: how to best facilitate the purchasing not only during normal times, but even during emergency times.

So, being the solution, if you will, means you've got to be trusted. You have to be a known entity. Have a presence in the EOC, the emergency management system – all of that is very, very important, I think. A balance is critical in building that relationship and being a leader in that solution.

And I see George wants to respond to what I just said.

George: I just wanted to add, Ed, from the tabletop exercise we did last week with NASPO and some federal players and some academic partners as well that, in an emergency like this or any emergency, the key is to have your contracting official at the table and to be involved upfront in the needs so that they can facilitate getting it done.

And a second piece that came out of that and, when we think about the challenges around demand and supply, I think it's fair to say from the study that those states, those jurisdictions that did centralize their requirements for procurement and contracting through a source often were able to receive those goods and services more effectively.

So, being able to centralize that contract spend for the emergency and making sure that you've got the right contracting people at the table is pretty important.

TM: 20:58

Ed: Well, I'd like to ask you both this question. You know our audience is largely state legislators, legislative staff and other state officials. What advice would you share with them based on your experience over the last year? Lindle, why don't you go first?

Lindle: Well, I think our message has been fairly consistent today, what George just said. It's very important in any situation that you have the right players at the table. So, I would hope as administrative teams and legislatures look at these lessons learned moving forward, that they would consider what should be the real role of procurement officials during these times of disaster and challenge.

I would hope that they would broaden their perspective and be more inclusive to have the right resources there. In my mind, the right resources would be to have the procurement official participating in the EOC.

If we could get that message across to everyone across the nation, again, part of our charge is to elevate the public procurement profession. We know that our members have a value to play. It's very important. They are there to serve the citizens of the state; they are there to ensure the administration stays within safe limits, if you will, of their jurisdiction.

So, getting product, making the right purchases at the right time, you need to have procurement officials that have that knowledge, that expertise. And in order to be compliant with your own state regulations and things of that nature, while at the same time being able to meet the needs of critical commodities and services not just during normal times, but during emergency times as well.

TM: 23:00

Ed: George, what's your perspective? What would your advice be to legislators?

George: I guess I'd first say, Ed, I really appreciate NCSL having us and I'm really proud that under my presidency with Lindle as the CEO with NASPO, we were able to sign an agreement between our associations to do things like this, and really appreciate the importance of the association and just all that it brings to your members throughout the nation.

Contracting and procurement, it certainly plays an important role often behind the scenes with services that governments perform for their citizens. Our goal really is to instill confidence that you can count on the contracting officer to be part of the solution to any issue that is needed to be addressed.

Contracting officers work every day to find that balance between the often-urgent needs of government agencies and the wisdom that the public expects in how their government spends the money.

And so, being able to ensure that engagement is there upfront with the contracting staff I think is really important. Having the statutory ability to execute emergency contracts and emergency procurement authority for your jurisdiction's contracting officers is really critical to be able to acquire what citizens need during that emergency.

So, I would say that would be the one piece of insight for you, Ed.

TM: 24:46

Ed: As we get ready to wrap up, I wonder if you have any final thoughts. George, why don't you go first?

George: Like any contingency or like any real urgent issue that you're working around and working through, when you get through it, you get through that fire, you're better for it. And I think just in the discussions around the country with groups like this and podcasts like this, being able to get those lessons learned out there on what happened during this emergency and continue to build the relationships so that you know those relationships before the emergency.

TM: 25:31

Ed: Boy, I've heard that same sentiment from so many people during this pandemic. Lindle, any closing thoughts? You get the final word here.

Lindle: Ed, thank you very much for the opportunity to participate with you on this podcast. I too want to express appreciation to NCSL for the relationship that we have with you. It has been very, very strong, a great year this year, and we are appreciative of that relationship.

I think only through these types of relationships as we collaborate, work together, we become part of the solution. It's important for us to be strong and collaborative because independently, we probably each have our own strengths, but when you bind together, that synergy brings much stronger value, much more value contribution to our members, which we all strive to do. We want to be a solution.

And during challenging times like this COVID, if you're not working together and you're not working in concert, that becomes apparent to key people, those mostly that the programs services. So, the stronger our relationships, the more that we can identify best practices and work collaboratively, I think that it will be the best solution that we can provide.

So, I appreciate NCSL and you reaching out and allowing us to be engaged with you. Thank you for your time today and thank you to NCSL.

Ed: Well, gentlemen, thank you for taking the time to share your expertise. I know I've learned a lot and I'm sure our listeners have as well. Take care.

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Ed: And that concludes this edition of our podcast. We encourage you to review and rate our episodes on iTunes, Google Play or Spotify. You may also go to Google Play, iTunes or Spotify to have these episodes downloaded directly to your mobile device when a new episode is ready. For the National Conference of State Legislatures, this is Ed Smith. Thanks for listening and being part of "Our American States."