

NASPO Procurement Tabletop Exercise

'Playbook' and Recommendations for Emergency Response



Overview

In May 2021, the National Association of State Procurement Officials (NASPO) convened a group of federal, state, and local stakeholders who played a role as governments responded to the COVID-19 pandemic. The invited stakeholders represented state central procurement offices, the federal office of public procurement, federal and state emergency management, federal and state health and human services, city and county leadership, universities, suppliers, and strategic partners.

The tabletop exercise was an interactive, discussion-based exercise focused on state procurement's role during the pandemic to improve efforts in future emergency response and enhance national, regional, and state collaboration between federal, state, public entities, and the supplier community.

During the discussion, participants identified two main focus areas as critical takeaways:

1) procurement engagement during emergency preparation and 2) building relationships.

PROCUREMENT ENGAGEMENT DURING EMERGENCY PREPARATION. Participants discussed the need for formal preparation and plan development for a variety of emergencies, i.e., pandemics, natural disasters, cyber-attacks, etc. During the exercise, many emergency responders indicated they had not engaged with the state's central procurement office prior to or during the pandemic. As a result, they were unaware of existing contracts that could have been utilized for pandemic-related purchases, which may have wasted valuable time and resources replicating these contract efforts during the early months of the pandemic.

The exercise also noted that many procurement officials had existing relationships with suppliers underutilized during the pandemic. While procurement offices have taken an arm's length approach when building relationships with the suppliers that serve their state, the approach is an outdated concept that may hinder an emergency response. Procurement officials have their finger on the pulse of the supplier community. They can offer a critical bridge to current and future suppliers who can provide products and services in the event of an emergency. In addition, procurement officials are immersed in the supply chain and can keep state leadership apprised of constraints and possible solutions in real-time.

Given the relationships and knowledge of contracts and supply chain, procurement officials are essential stakeholders in emergency response planning. They, therefore, should be included in discussions as state leadership develops emergency response and continuing operations plans.

BUILDING RELATIONSHIPS. Many participants admitted a lack of engagement with state and federal emergency response personnel before the pandemic. As discussions continued, it became clear that relationship building would be an important follow-up action for procurement officials to demonstrate their value in future emergency planning efforts. Critical is the need for communication, early and often. Many participants noted it was better to receive information, even incomplete information, as it is available versus waiting for scheduled updates days and weeks out. Regular communication helps stakeholders understand where response gaps may be and will allow them to engage and assist. Those participants who indicated they had established relationships with emergency response personnel felt as though they could engage and provide valuable feedback, suggestions, and possible solutions during the pandemic response.



While each state needs to maintain autonomy while developing emergency response plans and making decisions during an actual emergency, the lack of a nationally or regionally coordinated response during the pandemic presented specific challenges. States and local governments were forced to compete with each other and with the federal government during the pandemic that resulted in pricing escalation and furthering supply chain and logistics constraints. NASPO recommends that federal, state, and local stakeholders come together to improve communication and trust surrounding future emergency response and the potential to develop a more coordinated response effort on regional and national levels.

The following section captures recommendations for procurement officials to bolster relationships and engagement within their states.

Before Disaster (Assess and Plan):

- **STATE'S DISASTER AND CONTINUING OPERATIONS PLANS** — Review existing state plans and identify where procurement can support response agencies. Set up regular meetings to foster relationships and improve communications.
 - Understand the chain of command when the Governor issues executive orders and emergency authorizations.
 - Identify all potential emergency scenarios: natural disasters (hurricane, earthquake, tsunami, wildfire, tornado, flood, winter ice/snowstorm), biological/chemical/nuclear emergency, cyber-attack, etc., and plan for procurement's engagement in response based on the emergency's specific needs.
 - Identify all potential department heads that may play a role in emergency response and schedule regular meetings to help them understand procurement's ability to support their efforts in an emergency. (suggested list is found on next page)
 - Ensure state or cooperative contracts are in place that will provide access to commodities and services to aid in emergency response (e.g., debris removal, communication equipment, portable toilets, PPE, lab supplies and services, temporary shelters, security services, logistics/transportation services, construction materials, tires, etc.).
 - Ensure targeted state/cooperative contracts for use in emergency response include Federal Emergency Management Administration (FEMA) language to guarantee funding reimbursement eligibility.
 - Proactively volunteer the Chief Procurement Officer and seasoned central purchasing staff to train and assist in the emergency operations center.
- **INTERNAL EMERGENCY DISASTER PLANS** — Prepare internal emergency procurement processes and procedures, determine which circumstances will activate deployment, and train purchasing staff.
- **LEGAL AND RISK MANAGEMENT** — Work with legal counsel/risk management to update emergency contract terms and conditions. Coordinate with legal counsel to understand inherent risks, negotiable terms, and pre-authorizations that will allow buyers to negotiate with suppliers during an emergency (i.e., pre-payment, limitations of liability, indemnification, waiver of subrogation, insurance requirements, etc.).
- **SUPPLY CHAIN** — Understand the supply chain of critical commodities. Discuss how various emergency scenarios impact raw materials, import/exports, logistics, sub-contractors, competition, alternative sources, etc.

- **CONTRACT ADMINISTRATION** — Coordinate annual meetings with state contract officers/administrators and key suppliers with executed contracts to proactively discuss their roles in the event of an emergency. Identify supplier-provided, value-added services that can help augment emergency response (logistics, warehousing, JIT delivery, etc.).
- **CONTRACT AUGMENTATION** — Meet with state departments with independent procurement authority to identify contracts outside of the central procurement office that may be available to augment an emergency response. Consider a state-wide contract repository that provides visibility into all executed contracts for emergency responders, including procurement.
- **SUPPLIER AUGMENTATION** — Identify local, national, and international suppliers who are not on contract but could be engaged if current suppliers cannot keep up with demand.
- **REGIONAL COOPERATION** — Meet with regional state procurement officials to discuss opportunities for resource sharing in the event of a large-scale disaster.
- **COMMUNICATION** — Define chains of communication and consider how the loss of internet or phone lines might impact communication. Create a list of alternative communication methods with state leadership, procurement staff, suppliers, and cooperative contract holders.

Engagement/Relationship Recommendations:

- | | |
|---|---|
| • Governor's Office | • FEMA Regional Director |
| • Emergency Operations Center | • Local University Procurement Officials |
| • Department of Health | • Local K-12 District Procurement Officials |
| • Department of Information Technology | • Local City, County, and Public Entity Procurement Officials |
| • Department of Transportation | • Regional and National NASPO Primary Members (State Chief Procurement Officials) |
| • Department of Facilities and Construction | • NASPO Staff |
| • Department of Economic Development | |
| • Department of Finance and Budget | |
| • National Guard | |



During Disaster (React and Communicate):

- **ADAPTATION** — No matter how proactive your response plan is, you will need to make changes to adapt to the crisis or disaster. Add regular check-in points to determine what changes may be required.
- **ASSISTANCE** — Volunteer to assist the lead emergency response agency with procurement support if the state's central procurement office isn't immediately engaged as part of the emergency executive order.
- **STAFFING NEEDS** — Be mindful of staff burnout. Procurement staff may not be conditioned for emergency response and may need to rotate more frequently. Offer mental health breaks for staff, find creative ways to support your team during the emergency, and reward them for a job well done once the emergency mitigates.
- **SOLUTION-ORIENTED** — Engage emergency procurement processes, which may provide some latitude to act quickly. Find a legal way to say “yes” and support emergency efforts. Do not be perceived as a roadblock but always ensure solutions are compliant with procurement laws and executive orders. Think outside of the box and identify creative solutions to problems.
- **RELATIONSHIPS** — Network with other public procurement professionals and collaborate on emergency response, mitigation strategies, and supplier identification, if needed. Engage with NASPO and NASPO ValuePoint for resources and support.

After Disaster (Reassess and Rebuild):

- **REFLECTION** — Host or participate in post-emergency debrief conversations. Reflect upon the emergency response and make changes to the response plan, identifying additional contacts or resources needed and communication gaps and supply chain vulnerabilities.
- **MAINTENANCE** — Create regular touchpoints for review of existing plans and make adjustments as required by risk, leadership, statute, or other external factors.



Resources

Barter, L. & Kilpatrick, J. (2020). *COVID-19: Managing Supply Chain Risk and Disruption*. Deloitte Canada. <https://www2.deloitte.com/in/en/pages/risk/articles/covid-19-managing-supply-chain-risk-and-disruption.html>

Cybersecurity and Infrastructure Security Agency. (2020). *Building a More Resilient ICT Supply Chain: Lessons Learned During the COVID-19 Pandemic, An Analysis*. https://www.cisa.gov/sites/default/files/publications/lessons-learned-during-covid-19-pandemic_508_2.pdf

Handfield, R., Wu, Z., Patrucco, A., Yukins, C., & Kull, T. (2021). *Assessing State PPE Procurement During COVID-19: A Research Report*. National Association of State Procurement Officials. https://www.naspo.org/wp-content/uploads/2021/03/2021_COVIDReportC.pdf

McKinsey & Company. (2020.) *The Path to the Next Normal: Leading with Resolve through the Coronavirus Pandemic*. <https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Navigating%20the%20coronavirus%20crisis%20collected%20works/Path-to-the-next-normal-collection.pdf>

National Association of State Procurement Officials. (2021). *NASPO Procurement Tabletop Exercise: After Action Report*. <https://naspo.app.box.com/file/854925419931?s=zifq7bioge5e4qf6agfyrg6y-c5ukbp8k>