

**Kevin Minor:** 0:05

Greetings. Episode 9 of the NASPO Pulse, the podcast where we are monitoring issues in state procurement. We've got our finger on the pulse. I'm your host, Kevin Minor, and I am wishing you all the best. From NASPO HQ in Lexington, Kentucky.

**Kevin Minor:** 0:23

Today I'm checking in with Sarah Hildebrand, chief Operations Officer for NASPO's Cooperative Contracting Arm, naspo ValuePoint. We take a brief look at NASPO ValuePoint's structure and how their lead state model benefits state purchasing. We also discuss the ongoing communication between NASPO, our academic partners, suppliers and the work NASPO ValuePoint has been doing during the pandemic. Yes, we're still discussing COVID-19, but it's important to explore these connections, these lessons learned. We're looking at the work NASPO and ValuePoint have been doing to ensure our state members have access to the most up-to-date, reliable information on goods and services. We're also going to revisit the Supply Chain Council in order to understand why communication with the supplier community is so important. If you missed it, in episode five, we actually discussed the Supply Chain Council with Dr Wu from Oregon State University. Oregon State actually facilitates that conversation, so you may want to go back and listen to that episode for some more background. All right, let's take that pulse, Sarah. Thanks so much for joining me on the pod today. How are you?

**Sarah Hilderbrand:** 1:38

I'm doing well, Kevin. How are you?

**Kevin Minor:** 1:40

I'm doing great. This is actually the second interview that you and I have had over the same thing. Sarah was gracious enough to email me, because they have so much updated information since the last time that we did this interview that we're going to redo this interview with more timely information. So thanks for that, Sarah.

**Sarah Hilderbrand:** 2:00

Well, and I appreciate it, Kevin, and I think that's just really reflective of the world we're living in today. I mean, it seems like everything with COVID-19 sort of changes on a day-to-day, minute-by-minute basis.

**Kevin Minor:** 2:12

Yeah, literally just changes on a dime. So I was very pleased when you emailed me and said hey, we've just got you know. I know this episode is getting ready to come out and we've got new information. So this is good. We're bringing timely information and resources to our listeners every facet. So shameless NASPA plug for everybody out there.

**Sarah Hilderbrand:** 2:34

Well, I appreciate it, Kevin.

**Kevin Minor:** 2:35

Sarah, you are the chief operations officer for NASPA ValuePoint. What was your experience in procurement prior to being the COO?

**Sarah Hilderbrand:** 2:47

Sure. So you know, like most of us in public procurement, I kind of came into this profession by accident. Right, you know, I came out of law school about 25 years ago, ended up as the civil attorney in a small county in Oregon actually Baker County in Eastern Oregon and ended up having procurement as one of my other duties as assigned.

**Sarah Hilderbrand:** 3:12

You know so at that point in time the internet was sort of a new thing. There weren't a lot of online resources out

there, so it was a great training ground. I got to work with all of the different county departments, you know so got involved with the health department, with HIPAA, you know Y2K came through, worked with the sheriff's office, corrections, worked with the road department, so I really got to procure a wide variety of goods and services. So that eventually led me over to the state of Idaho where I became a purchasing officer, then a contracts manager and then ultimately ended my career with the state of Idaho as the chief procurement officer for the state, and that was an incredible experience, you know, in terms of really focusing on policy.

**Sarah Hilderbrand:** 4:04

You know getting up in front of the legislature. You know understanding. You know public procurement code, the statutes, the regulations. You know working with protests. You know developing policies and processes for the office. So I think all of that background has really helped me. You know, as I've moved into this role as the COO for NASPO Value Point, you know where I've got an incredible team of dedicated procurement professionals who have been in you know public procurement some of them for several decades, and have an incredible amount of experience, so that team that works with me. They facilitate cooperative contracts for all of our member states and those contracts are also available to participating entities. So we've got about 60 different portfolios. Right now We've got over 400 contracts.

**Kevin Minor:** 5:01

Wow.

**Sarah Hilderbrand:** 5:02

And really just incredible usage by state agencies throughout the country, the district, the US territories, and then of course you know the cities, counties, k-12 universities can all use those contracts as well.

**Kevin Minor:** 5:16

Right, right. So your job as chief operations officer is to kind of oversee all of those relationships.

**Sarah Hilderbrand:** 5:24

Correct, correct, and so you know a lot of what we have going on right now. You know we kind of had to pivot, like everyone else, to respond to COVID.

**Sarah Hilderbrand:** 5:31

Absolutely, but on a regular day and now that we're getting a little bit back to normal, you know we're looking at process improvements. We're looking at emerging markets. You know we're engaging with our state members through, now, virtual conferences and trade shows, which is an interesting experience I think that we're all learning more about. We're putting together as many resource materials that we can. We've been working with Procurement U, another division of NASPO, on some additional training that folks will be able to take advantage of remotely, and we're still heavily focused on supplier engagement and supplier development. You know we've got toolboxes workshops. We've got online training, you know, to help those folks understand how to do business not only with state government, but really government at all levels. Understand how to do business not only with state government but really government at all levels, I'm sure just over the course of these last I don't know three months.

**Kevin Minor:** 6:30

It's so much data, right, I'm sure that there's just a huge pile and I want to get into that, but first, you know, I'm curious to know a little bit more about this lead state model, that NASPO ValuePoint uses.

**Sarah Hilderbrand:** 6:46

Can you talk to me about that? Just a little bit Sure. So I think that's one thing that makes ValuePoint unique. We've got a lead state model, so every procurement that's done with ValuePoint is led by an individual state under that

state's laws. So we've got the lead state. And then, of course, we have sourcing team members made up of procurement professionals from other states. Sometimes, you know, local procurement professionals will participate on that, that sourcing team, as well as subject matter experts, and so that team, you know we help put that team together, and then my cooperative contract coordinators work closely with the lead state and the sourcing team throughout the entire process.

**Sarah Hilderbrand:** 7:31

You know, from the inception of an idea that runs through the value point management board, you know, comprised of multiple state representatives. They work with that team through the solicitation process, through evaluation and award, and then we're also here to support that state through administration of that contract.

**Kevin Minor:** 7:53

So not only do you have state procurement staff, but you have SMEs and you have even people, poly-sub, right State, local and education all on these contracts.

**Sarah Hilderbrand:** 8:07

Correct and they're utilizing these contracts through the participating addendum process. In terms of that sourcing team, you know, typically they're comprised primarily of state representatives, so you know the procurement offices. But we do, on a few of our portfolios, have sourcing team members from the local entities as well, because we recognize how valuable these contracts are to the cities, the counties, the schools and the universities and we definitely want to want to hear their voice and make sure that we're incorporating some of their needs and requirements as well.

**Kevin Minor:** 8:44

So what does the state get out of using a value point contract?

**Sarah Hilderbrand:** 8:50

So the goal really is that we're aggregating this spend right. So we've got these volumes that should encourage suppliers to give us some better pricing, some additional discounts. You know better terms and conditions. Sometimes you know you've got to dig into the contract to see really where the value adds are. You know whether it's in terms of warranty. You know delivery if you're placing an order and the delivery terms under a value point contract, they're bringing it into your office and setting it on your desk right.

**Sarah Hilderbrand:** 9:26

And it's the one thing they're coming and picking it up, taking it back and bringing the correct item back to you. You know, all included in that price, so there's a lot of value adds. There's also a number of contracts that have additional consulting services. Even under some of our catalog contracts, like our MRO contracts, have consulting services that are simply included in that price.

**Kevin Minor:** 9:52

Interesting, interesting, and I know that you know you were talking about supplier engagement. That's really interesting because you know, on the NASPO side, where we are one organization now, but on the NASPO side we really focus on educating our CPOs, but we also work in tandem with ValuePoint to help educate the suppliers, right, and I think that that's just a really interesting connection to make that you guys work so closely with the suppliers.

**Sarah Hilderbrand:** 10:23

And it's incredibly important closely with the suppliers, and it's incredibly important, you know, suppliers need to understand how state government and local government operates so that they can, you know, navigate this world. It's a lot different than the, than the private sector, so right.

**Kevin Minor:** 10:35

So, along with that supplier engagement, you guys also, up till recently, have been traveling a lot, right. We have conferences, sit down, meeting with these suppliers, right.

**Sarah Hilderbrand:** 10:45

We do, and not just the suppliers, you know. But we also try and get out to as many states as we can and participate in their local conferences, and so, you know, we'll have a booth set up. We've got, you know, targeted resource materials. A lot of times these conferences and trade shows are attended by procurement officers from the city level. They might be from a sheriff's office, they might be from a school district, many of them. I've heard about NASPO, value Point, but we want to make sure that they understand which contracts their state has already issued a participating addendum for, and so that contract is automatically available for them to be able to begin placing orders. So we've got flyers, we've got handouts, you know, and it's great to have that face-to-face discussion you know discussion and be able to answer questions and engage directly, and we were doing that on pretty much a twice-monthly basis.

**Sarah Hilderbrand:** 11:52

Pretty regular yeah somebody going out to a conference or a trade show and everything has really changed. We are excited. We're going to have a booth at NIGP this year and that's going to be a very large virtual conference. You know that's going to have nationwide virtual attendance, so we're hopeful that a number of procurement professionals from around the country will virtually stop by our booth and learn more.

**Kevin Minor:** 12:20

Just that networking and face-to-face and those resources that if you're not talking to somebody, you're not there, boots on the ground, something that you might miss. So how have you guys been able to deal with that, since we haven't been able to travel since COVID?

**Sarah Hilderbrand:** 12:35

Yeah, so we still have regular engagement via Zoom, via Teams meetings. Zoom via Teams meetings you know my team, you know, engages via email with. You know just a wide variety of procurement professionals on a daily basis. You know the number of people reaching out asking about contracts. You know looking and getting a participating addendum, and I think we're going to see an increase in reliance on cooperatives. You know, especially, especially given the fact that you know budgets are going to be tight next year for for states, and so I think that if we can help get the word out of resources that already exist that may be able to help meet their needs or reduce their costs for some goods and services, then I think that's just a good service to get out to the public.

**Kevin Minor:** 13:32

Right. Well, and I know that during the pandemic, you and your team have been working really hard, like around the clock, to help to provide resources to CPOs and the procurement staff right, and not only to the procurement staff, but also to the suppliers. So let's talk about that. What is some of the work that the NASPA ValuePoint staff has done and the resources that are available?

**Sarah Hilderbrand:** 13:57

Yeah. So the ValuePoint staff worked really closely with the NASPA research and innovation team. We put together some packets of resource materials related to the CARES Act to help states and locals navigate the CARES Act, as well as a packet of resource materials related to disinfecting and sanitizing services, knowing that when there's a return to work, return to school, that there's going to be a great need for those types of services. We also went, we reached out to all of our value point contractors, asked them for updates and you know we organized some air tables out on the value point website that identified all of the current contracts that contained PPE or cleaning supplies to, you know, make them easier to navigate and find resources. And then, of course, working with NASPO, there are just a ton of resources out on the NASPO website, you know links to federal agencies, information

regarding FEMA, emergency preparedness information, you know, tools and tips for remote work, you know, and additional sourcing information, you know, related specifically to PPE, knowing how difficult it's been for states to find those sources of supply and actually vet suppliers.

**Sarah Hilderbrand:** 15:22

So we also worked with our data analytics team internally at NASPO on at least some high level vetting. Because, like I said earlier, I mean we've just had a ton of suppliers come out of the woodwork, and I think states have seen that as well. So, you know, I think we just try to listen to our state members and try to meet those needs as quickly as possible, because ultimately, that's what we're all about. We're a member service organization, you know, and so we just want to get whatever resources we can in place to help them out, knowing how incredibly busy they are and, and you know, there a lot of them are working in their emergency response centers still, you know. So we want to take some of that burden off of them.

**Kevin Minor:** 16:08

So so, throughout this COVID-19 response, you forged a lot of alliances. You've had communications with a lot of suppliers, with a lot of state members, our academic partners. We have the Supply Chain Council right and that's been very beneficial, been a huge communication tool, an avenue for sharing resources. Can you tell us a little bit about the Supply Chain Council and how it's been so beneficial?

**Sarah Hilderbrand:** 16:36

Yeah, so I you know and I think you've kind of hit on it, Kevin it's been incredible to me just the sense of community that's come through all of this. I mean, everybody's really just stepped up. Our academic partners, the other associations that we engage with on a regular basis, the supplier community, you know, whether it's value point suppliers or other suppliers, you know everyone just wants to come forward and help find a solution, right, right? So the Supply Chain Council is actually led by one of our academic partners, Oregon State University, and our chief learning officer. Other NASPA staff had been participating in this Supply Chain Council on a regular basis, and the council includes not only academics but also private sector experts from a variety of industries and from throughout the country from a variety of industries and from throughout the country.

**Sarah Hilderbrand:** 17:35

So Oregon State offered to use this forum that they already had in place to pose some COVID-19 questions that NASPO members were interested in and be able to tap into these industry experts. So it really was incredible. You know, I found it incredibly helpful to listen to. You know an individual who works in logistics. You know somebody that's an expert in the supply chain because, as a procurement professional, you know we understand how the state operates. We understand, you know, developing solicitations.

**Sarah Hilderbrand:** 18:09

You know the shipping, everything else, but we really don't have that boots on the ground out. You know, in these foreign countries, you know understanding the impact on the various supply chains you know that are, logistically, you know, trying to move everything from country to country to warehouse it, and so it was a great resource for us. We were able to pose some specific questions that our state members had forwarded to us and get some great responses. And then we actually set up a forum, which is still in place, where the supply chain council members, those industry experts you know, can pose questions to state members. Our state members, you know, can ask them questions and they can have this ongoing communication. So it's really it's just been incredibly, incredibly helpful.

**Kevin Minor:** 19:08

Sarah, has there really been anything like this before?

**Sarah Hilderbrand:** 19:12

You know, there really hasn't, and I think that's one of the great lessons learned you know from this pandemic is just that we need to engage more, not only with our academic partners, which we do on a regular basis, but with these supply chain experts that are out in the field that are experiencing this, so that we understand what the challenges are and so we can communicate those to our state members and they can understand, you know, how to put better solicitations in place that can actually anticipate some of these challenges.

**Kevin Minor:** 19:50

How specifically have you seen it benefit state procurement.

**Sarah Hilderbrand:** 19:54

I think it's really helped our state members be better informed in terms of, you know, these huge fluctuations in freight costs, to understand what the impacts on freight are and how they can mitigate some of those costs, as well as understanding import-export laws, which most state procurement folks aren't experts in and on, certainly not as well as trade agreements and the impact that those have, because for most of this, ppe states and others were looking overseas at manufacturers, do you think that, moving forward, we will continue to communicate?

**Sarah Hilderbrand:** 20:35

That's definitely the goal, you know. I know, from NASPA's perspective, we want to keep this forum going, to be able to engage with supply chain experts and logistics experts, and we've had a number of discussions with multiple academic partners that we currently engage with on a regular basis, you know, to talk about the path forward and to make sure that these conversations continue.

**Kevin Minor:** 21:03

So, Sarah, what are the next steps? If we're looking at lessons learned and I know throughout the council, there's probably a book somewhere of lessons learned and data aggregated that we'll be able to use in the future what are the next steps?

**Sarah Hilderbrand:** 21:20

I think that lesson learned book is going to be. It's going to be huge and it's going to have multiple editions because it's going to need to be revised on a regular basis. I think we've got a lot of debriefing to do. We've done a little bit of that, you know, internally with our state members, and you know talking with other partners. But there's so many challenges going forward, right, and they vary between the states. I think the biggest and most common challenge is the fact that there are so many unknowns right now. So, coming up with a predictive model to anticipate needs over the coming months and potentially years, while it's extremely important, it's also going to be incredibly difficult, right. You've got politics. You've got executive orders legislation. You've got politics, you've got executive orders legislation. All of these vary from state to state. You know, hospitalizations are going up and down and they vary widely between states.

**Kevin Minor:** 22:19

By the day.

**Sarah Hilderbrand:** 22:20

There's all this uncertainty about schools. Are schools going to be in session? And if they are, what's that going to look like Right session? And if they are, what's that going to look like Right? So you know, outside of PPE especially the medical grade, um cleaning supplies and services, plexiglass, um. You know states also need to be able to support remote work. I've heard about some states that are going to continue remote, uh for the unforeseen future, right.

**Kevin Minor:** 22:49

Yeah.

**Sarah Hilderbrand:** 22:50

Yeah, and distance learning, of course, is going to be huge.

**Kevin Minor:** 22:55

Yeah, so I think the connectivity right yeah exactly the connectivity.

**Sarah Hilderbrand:** 23:01

You know all the hardware and software, the technology that that's going to be needed, and I think really, you know a lot of the states and local entities that haven't faced widespread emergencies in the past and, I'll be honest, I mean Idaho is one of them, right? We?

**Kevin Minor:** 23:16

don't get hurricanes and tornadoes and things like that.

**Sarah Hilderbrand:** 23:21

So a lot of states and locals, I think you know, struggle to navigate this new procurement world. You know, in the age of an emergency, when supply was so scarce. You know, in the age of an emergency when supply was so scarce, you know, negotiating directly with unknown foreign manufacturers. You know, if you thought of that, wondering, you know what the quality of supply would be. So I have talked to a number of suppliers, you know, including our value point suppliers who say, hey, this is our business, right?

**Kevin Minor:** 23:47

Yeah.

**Sarah Hilderbrand:** 23:48

We have staff throughout the world. We have category managers, we have people who negotiate with foreign companies. We have quality control on the ground, we have escrow services in place, so you don't have to prepay for things and you can ensure the quality. We've got warehouses, logistics. So I think one of the primary keys to all of this is that we need to work with our suppliers. Right, we need to be able to capture some data. We need to work with suppliers to help, you know, create some formulas to anticipate needs.

**Sarah Hilderbrand:** 24:30

Anticipate needs. We need to help our suppliers understand how different states operate. You know, in terms of their internal structure, whether they're centralized, decentralized. You know what responsibility they have for any of the local entities. And I think some suppliers out there don't realize. You know that states are going to have this continuing need for the medical grade PPE because they've got correctional facilities, they've got state hospitals, there's, you know, first responders, we've got veterans homes in every state and state-run clinics. So I guess the question is you know, how do we collaborate? How do we cooperate so that we don't see states constantly competing for the same supplies? And then how do we anticipate needs and communicate that information to suppliers so they can prepare and coordinate a constant stream of supply Right, instead of just reacting to all of these one-off requests, right, right, which is not efficient.

**Kevin Minor:** 25:30

Right, or reacting to the same problem a hundred different times. Right, let's figure out the solution to the problem and then use that across the board. It's just wild to me to hear that, because it's just such a seemingly simple answer to such a complex problem Just communicate, right.

**Sarah Hilderbrand:** 25:53

Yeah, and it's true of any procurement right. I mean anytime you can communicate with the supplier community and you can provide them with some data, help them get a better understanding of how your state operates and

what your ongoing and future needs are going to be. And then, on the flip side, the states need to understand what challenges the supplier is facing, what information they need.

**Kevin Minor:** 26:15

Yeah, it goes both ways, exactly.

**Sarah Hilderbrand:** 26:18

But you're right, you're exactly right, it's got to be, you know, like a partnership and there's got to be some good communication there. So I think we can, you know, working together. Naspo is perfectly posed to coordinate with the states. That's what we do, that's what we've done for almost 75 years, you know, but working with the states to get some forecasting models in place that are dynamic, and then increasing our engagement with the supplier community.

**Kevin Minor:** 26:46

Yeah, and you mentioned forecasting that market research. I'm sure is extremely valuable that aggregated data that you guys have been collecting over the course of this three months, right.

**Sarah Hilderbrand:** 26:58

Yeah, it's. It's understanding the market, understanding logistics, understanding you know what the different factors are that are impacting. You know the various states and, honestly, how it differs from state to state, and then you know trying to put together a model. You know that that's dynamic enough that you can revisit it on a regular basis and update it.

**Kevin Minor:** 27:23

So, Sarah, what is you know? We talked about the education, and not only educating procurement, state procurement staff, but also suppliers. What does that education look like? Moving forward?

**Sarah Hilderbrand:** 27:35

You know, I think our engagement with suppliers increases and, in a way, now that even suppliers aren't traveling as much, you know, I think we've got an incredible opportunity to, you know, set up some additional education and communication on a regular basis, you know, via Zoom or other online platforms, to be able to sort of work through the current issues, debrief what they saw right. I'm really interested to hear from suppliers you know, what challenges they faced and I'm sure they're working on solutions right now. I mean, they've got to be looking at, you know, sort of you know what went wrong, how do we fix it, and then they also are looking at how to anticipate the needs of, you know, not only public entities, but obviously hospitals, you know, and private companies throughout the country and really throughout the world.

**Kevin Minor:** 28:34

So, Sarah, before we let you go, do you have any advice for our listeners?

**Sarah Hilderbrand:** 28:38

You know, I think the advice that I would have is to keep up the conversation, to engage as much as you can. I mean, whether you're a supplier, whether you're a local entity, whether you're from a state agency, um, there's a lot of experience and expertise and knowledge out there, and there isn't a single one of us that has all of those pieces, you know, to this puzzle. Um, but I think that that if we keep the conversation going and we focus on this sense of community and collaboration, um, that that we'll be able to get some solutions in place and we won't face something, you know, like this incredible catastrophe, you know in the lack of supply and everybody, incredible catastrophe, you know, in the lack of supply and everybody, everybody's scrambling for the last few months, Right Well, a catastrophe that inevitably, unfortunately and inevitably will happen again.



**Sarah Hilderbrand:** 29:40

We're going to be better prepared, Kevin.

**Kevin Minor:** 29:43

Yes, yes, we will Absolutely. Sarah Hildebrand is the Chief Operations Officer for NASPO ValuePoint. Sarah, thank you so much for joining me today.

**Sarah Hilderbrand:** 29:53

Thanks, Kevin. It's always great talking to you.

**Kevin Minor:** 29:55

You too. Thanks so much. Suppliers need to understand how state and local government operate so that they can navigate this world. It's a lot different than that of the private sector. We need to engage more with experts outside of our field. We do this to better understand the challenges they're facing, but also how they can better understand ours. We've learned a lot in the past three months and it's imperative we don't lose track of those experiences. So what about you? What experiences can you add to the lessons learned book? How do you think these conversations will continue? Let us know. Email us. Podcast at [naspo.org](http://naspo.org). That does it for the polls today. If you haven't already, make sure you subscribe to us on Apple Podcasts, spotify, google or wherever you get them. Sweet listeners, you do not want to be the only guy or gal in the room who didn't take the Pulse. Make sure to check out our blog, [pulsenaspo.org](http://pulsenaspo.org), and catch up on some procurement articles written by your very own NASPO staff. I'm Kevin Miner. Until next time.