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Navigating COVID-19 using Cooperative Procurement

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P- Cards: Small Changes Can Create Significant Process Improvements
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Navigating COVID-19 using Cooperative Procurement

By Tammy Rimes

Procurement teams across the country are challenged with an onslaught of competing demands for health and safety equipment while working remotely from an Emergency Operations Center or home office — not the easiest of times. Despite the emergency, ensuring best value is still paramount, and is becoming a difficult challenge. With limited resources and worldwide demand for similar products, price gouging and unscrupulous suppliers have been reported. To complicate matters even further, government teams are learning the ever-changing requirements to comply with guidelines for federal stimulus loans or FEMA reimbursements.

Cooperative procurement, defined as the use of solicited, ready-to-go contracts established by a government agency or cooperative organization, is a contracting solution being used to address many of these complex challenges. During an emergency, there are advantages of having set pricing that does not fluctuate, as well as working with awarded suppliers with well-established reputations. FEMA allows the use of cooperative contracts during an emergency within specific parameters, and defines a cooperative purchasing program as “a cooperative arrangement for acquiring goods or services that involves aggregating the demand of two or more entities in an effort to obtain a more economical purchase.”

A recent webinar sponsored by National Cooperative Procurement Partners (NCPP) featured a panel of experts to offer insights into the current COVID-19 supply chain situation, changing FEMA requirements, whether cooperative contracts may be leveraged, and additional resources to help government teams during this emergency. A speaker at the webinar, Dr. Kim Abrego from Disaster Recovery Services and an expert in FEMA requirements, noted, “COVID-19 is quite different from any declared event that FEMA has seen to-date. Instead of having to support the financial recovery of public entities in a localized region, FEMA is now supporting efforts across the nation and not able to deploy their usual field support team to actively engage with applicants due to social distancing. As a result, FEMA is shifting its program to an online model.” Using the newly updated Program Delivery Manager (PDMG), created as a result of this pandemic, agency applicants will be responsible for shepherding their projects through FEMA’s Grants Portal.

Part of any preparation before and during an emergency is having well-thought-out policies and procedures for emergency purposes. Not only does this provide guidance for the entire organization, but it is also essential when an agency is involved in an audit or FEMA review. One of the first requests made is for a copy of an agency’s disaster procurement policy. Debbie Wellnitz, Manager for the City of Concord, Calif., Police Department shared her experience of starting this effort from scratch a few years ago to address the frequent fires in California. Her advice to other teams is to “ensure that all FEMA regulations and requirements are incorporated into your agency’s emergency policy. I highly recommend you have a FEMA expert review your policy to ensure compliance.” According to Abrego, “One of the top reasons that FEMA deems reimbursements to be void or
incomplete is due to procurement issues - all the more reason to have comprehensive emergency procurement policies.”

First responders, hospital teams, airport personnel and other government employees do not have the benefit of sheltering in place, because they must interact with the public. Shortages, backlogs and bidding wars for limited supplies, have caused agencies to compete against others for items such as masks, personal protection equipment, and ventilators. As suppliers work furiously to restock and meet backlogged orders, Chris Mellis, Senior Vice-President of Strategic Accounts from OMNIA Partners offers additional insight. “Stay in communication with vendors as supplies fluctuate from week to week to ensure your order is in the queue as they are working down their list of clients. Cooperative organizations can also help with compiled COVID-19 resources to focus efforts in assisting first responders and government teams in obtaining needed commodities.” Dan Listug, Government Relations Counsel for Sourcewell, a cooperative organization, notes that “cooperative contracts can be used for this emergency. Procurement teams should still conduct due diligence to determine if the contract will meet their own agency and FEMA requirements. Credible cooperative organizations should be able to provide all documentation related to the solicitation and contract to conduct that review.”

While supply chain discussions about commodities, such as masks and ventilators, have received a lot of attention, construction contracting is impacted as well. With well-entrenched procedures, the typically long process of government construction bids does not allow for flexibility to react quickly to emerging needs or changing requirements. A solution to help agencies across the U.S. quickly complete COVID-19 related work is called Job Order Contracting (JOC). JOC uses a database comprised of pre-priced construction tasks, with set labor costs, and can be accessed through already solicited cooperative contracts as a ready-to-go construction option for government entities, large and small. Providing financial auditability, JOC’s preset unit pricing helps avoid price gouging or expensive change orders.

Gordian is helping agencies across the U.S. quickly complete COVID-19-related work. To be proactive in advance of government requests, the company’s Cost Engineers have already mapped their line items to the Alternate Care Site program developed by the US Army Corps of Engineers (USACE), as well as biohazard and infectious disease control remediation. For example, Chicago is using its Gordian JOC program to quickly build-out acute hospital space at the McCormick Place Alternate Care Facility. Since April 2nd, contractors working with city teams, have installed over 750 self-contained units in two weeks.

Procurement is on the front lines of the COVID-19 pandemic, providing the needed supplies and services to support their agency’s first responders and support teams. As a well-accepted contracting tool, cooperative procurement can help meet those ever-changing needs, in the shortest timeframes possible. In the end, an organization’s response is only as good as its procurement processes and supply chain resources.