



How to Manage Procurement During Budget Uncertainty

With the current federal administration looking at budget cuts that will affect state and local government operations, employees at those entities are working especially hard to find ways to do more with less.

While the uncertainty is tricky, public officials have never shied away from a challenge. At a recent GovLoop [online training](#), three experts discussed how they're achieving success with some new budgeting approaches.

SPEAKERS

Megan Daly

Commerce Officer, New York's Port of Albany

Sasha Ramos

Procurement Administrator,
Dania Beach, Florida

Abhi Nemani

Former Senior Vice President for
Product Strategy, Euna Solutions



BUDGET BROUHAHA

"Overall, our process is similar in how we're formulating our budget...but there are certainly a lot more considerations to be made for certain things," said Sasha Ramos of Dania Beach, Florida. To illustrate, she explained that the city is closely watching a proposal to eliminate property taxes — a major part of the city's revenue stream.

"Our city administration is more involved now than they have been previously in our budget meetings and our budget formulation," she explained, "because we all have to take an all-hands-on deck approach."

At the Port of Albany, in NY, Megan Daly said she, too, is carefully weighing how her decisions could affect the budget. "We have to consider what projects can we take on or what can we start, given what may or may not happen," she

said. "We really need to lean into our strategic plan and really lean into priorities, even tiering the priorities of what's the most basic building blocks that we need to be able to achieve, what is the next priority, and what would be a nice-to-do. Where and how we take risks is also another factor. We have less of an appetite for risk at this point."

Predicting budgets is difficult for three main reasons, said Abhi Nemani, formerly of Euna Solutions. "First, many of these decisions are outside of a local government's control, so we are waiting to hear how things trickle down," he said. "The other two are personnel shortages and a lack of concrete solutions for challenges such as 'if these grant funds no longer exist, what are we going to do?'"

TRY SOMETHING NEW

"In the uncertainty, there still can be innovation," Daly said. "There still can be a way to look at things differently, and for different voices to say, 'Hey, have you tried this?'"

To that end, she and her team are looking at data and artificial intelligence (AI) to assess how competitive a procurement for a development project may play out. "We'll feed it information on our project development as well as what's going on in our region and beyond to say, 'What is the most competitive outcome that could come from this?'" she added.

For her part, Ramos is taking advantage of economies of scale by joining group purchasing contract providers such as Sourcewell and OMNIA Partners. "We're a smaller city in South Florida, and so some of the pricing that's available through those nationally bid contracts, we may not have been able to get on our own," she explained. "That has really gone a long way in cost savings for us and helping us keep a tighter handle on our budget."

Nemani pointed to Euna Solutions' AI-powered savings advisor tool that lets governments view commodity pricing through an e-commerce interface, compiling data from contracted suppliers to suggest money-saving strategies. "It could be as simple as, 'if you switch to this box of paper from a different contracted supplier, you're going to save \$3 per box,'" he said. "That adds up over time, and you will see real cost savings."

STRATEGIES FOR SUCCESS

To be successful in this environment of uncertainty, Ramos said, collaboration is key. "Nobody's trying to keep anything too close to the vest or try to make it seem like they're not also dealing with these issues," she said. "We all are, and we're all figuring it out as we go along. We can learn from each other, we can collaborate with one another."

City residents are another important collaborator, Nemani added. He praised Fort Worth, Texas' work on a project called Rethinking Budgeting that involved collecting constituent feedback on budgeting, doing scenario planning and publishing everything in an accessible public document. "I would recommend that folks think about budgeting as an ongoing process," he said. "Because the government made an ongoing commitment, more residents cared and were engaged."

Above all, "don't be afraid to try something new," Ramos said. While that requires a cultural shift that forces people out of their comfort zones, unprecedented times call for fresh approaches.

"You're in your position because you're equipped to do the responsibilities that come along with that position," she continued. "And you're in the position because you're capable. So have faith in what you're capable of, and we can do it. We're in it together."

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