



CASE STUDY

Sourcing & Logistics of PPE for the City of New York

New York City is home to over 8 million people speaking over 200 languages across five boroughs and is considered a global leader for finance, fashion, art, tourism and architecture. The Office of the Mayor of the City of New York employs over 350,000 people, coordinates 45 interrelated agencies and is responsible for managing relationships with various federal, state and local governing entities in addition to supporting its residents, businesses and the 52 million people that visit the city each year.



SITUATION

New York City was one of the epicenters during the early days of the COVID-19 outbreak. The city government, facing unprecedented challenges and unknowns, sought to both mitigate the pandemic's immediate effects and to position itself to deal with the ongoing threat. Sourcing, stockpiling and delivering personal protective equipment ("PPE") to front-line medical workers during the early days of the outbreak was key to curtailing the spread of the virus and to ensuring the safety and availability of the city's healthcare workers.

OUR ROLE

The Office of the Mayor of the City of New York ("City") engaged FTI Consulting (FTI) to help source, vet, and recommend qualified suppliers for 10 critical categories of medical PPE items. Leveraging our global footprint, FTI assembled a team led by experts in China and the United States to identify and manage critical suppliers and to facilitate and coordinate customs clearance and inbound transportation from China to New York City. FTI's Shanghai-based, Low-Cost Country Sourcing ("LCCS") team was able to quickly establish a pool of qualified suppliers by leveraging the team's deep market intelligence and utilizing FTI's proprietary LCCS Supplier Heat Map.

During the sourcing phase of the engagement, a group of highly qualified suppliers in China was selected from a pool of over 1,000 candidates based on product quality, reputation, certification, scalability, price and on-site visits to the facilities to ensure that the final pool met a predetermined set of standards.

FTI's role evolved from what initially was primarily a sourcing role to providing category management and inventory management across the City's PPE stockpile. The FTI team also played a key role in ensuring compliance with FDA requirements, facilitating contract negotiations, and coordinating the activities of multiple service providers and vendors. Our relationships with the U.S. Department of Commerce and the U.S. Embassy and Consulates in China helped to streamline the process and enabled effective oversight, tracking and rapid delivery of urgent medical PPE.

In addition to the sourcing, logistics and regulatory components, our team leveraged its expertise to help expand the City's warehouse network. We refined stockpile targets based on projected needs and daily burn rates and provided ongoing analytics around specific hospital data, vendor performance, market trends, price fluctuations and spend details. By refreshing and reimagining the City's inventory system, the team ensured that proper equipment was available, identifiable and ultimately delivered to healthcare workers on the frontlines of the COVID-19 pandemic.

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OUR IMPACT

- Speed: For the first time ever, New York City became an importer of record, allowing the municipality to import critical supplies without having to work through intermediaries. Supplies on the first charter plane that landed in New York City were delivered to distribution centers within 24 hours.
- Scale: FTI helped manage day-to-day interim operations roles, including procuring dedicated aircraft charters and hundreds of ocean freight containers
 - More than 18 aircraft charters
 - Over 300 53-ft. trucks
 - More than 560 ocean containers
 - Over 10 million pounds of PPE equipment
- Expertise: FTI helped to launch a new third-party logistics provider to house the 90-day stockpile by handling all inbound scheduling, transportation coordination and key activities.
 - Example: Packaging efficiencies enabled consolidation of a large nitrile glove order from three air charters to two and resulted in saving \$650,000. **In total, through optimizing the balance of air versus ocean freight, inbound transportation costs were reduced by nearly \$2 million.**
- Recognition: The engagement led to FTI Consulting winning the 2020 Outstanding Contribution Award for COVID-19 at the 2020 Procurement Success Awards in Shanghai, China.

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