

## *Public-Private Partnerships in the 21<sup>st</sup> Century*

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The term “Public-Private Partnership”, from an Emergency Management standpoint, is often a confusing term that many in the Emergency Management community have grappled with for the past several years. However, it is important for all of us to have a consistent understanding of what Public-Private Partnerships are, and how critical they are to our emergency and disaster prevention, mitigation, preparedness, response, and recovery efforts on a day-to-day basis. This white paper examines Public-Private Partnerships, and attempts to come up with a uniform definition that encompasses the spirit and intent of what these partnerships truly consist of. Public-Private Partnerships are sometimes known as PPP or P3. For ease of reading, we will refer to Public-Private Partnerships as PPPs in this document.

### **History of Public Private Partnerships (PPPs)**

PPPs have existed in government and business for many years. Here are some types of PPPs.

#### **Joint PPP**

Government agencies use tax revenue to provide capital to fund an operation jointly with a private sector entity. This typically occurs via a contract between the two entities.

#### **Private to Government PPP**

In other types of PPPs, private sector interests make a capital investment with government entities to provide agreed upon services. This is where the private sector pays the government for services.

#### **Government to Private PPP / Contracting**

One other PPP occurs when the government uses funds (general funds or grant funds) to contract with the private sector for a particular service.

Following the events of September 11, 2001 and the events surrounding Hurricane Katrina in 2005, a need was identified for better-coordinated public-private sector planning and response to emergencies. Here are some excerpts identifying the needs:

### **September 11, 2001**

#### ***Private-Sector Preparedness***

The mandate of the Department of Homeland Security does not end with government; the department is also responsible for working with the private sector to ensure preparedness. This is entirely appropriate, for the private sector controls 85 percent of the critical infrastructure in the nation. Indeed, unless a terrorist's target is a military or other secure government facility, the “first” first responders will almost certainly be civilians. Homeland security and national preparedness therefore often begins with the private sector.

Preparedness in the private sector and public sector for rescue, restart, and recovery of operations should include (1) a plan for evacuation, (2) adequate communications capabilities, and (3) a plan for continuity of operations. As we examined the emergency response to 9/11, witness after

witness told us that despite 9/11, the private sector remains largely unprepared for a terrorist attack. We were also advised that the lack of a widely embraced private-sector preparedness standard was a principal contributing factor to this lack of preparedness.

We responded by asking the American National Standards Institute (ANSI) to develop a consensus on a “National Standard for Preparedness” for the private sector. ANSI convened safety, security, and business continuity experts from a wide range of industries and associations, as well as from federal, state, and local government stakeholders, to consider the need for standards for private sector emergency preparedness and business continuity.

The result of these sessions was ANSI's recommendation that the Commission endorse a voluntary National Preparedness Standard. Based on the existing American National Standard on Disaster/Emergency Management and Business Continuity Programs (NFPA 1600), the proposed National Preparedness Standard establishes a common set of criteria and terminology for preparedness, disaster management, emergency management, and business continuity programs. The experience of the private sector in the World Trade Center emergency demonstrated the need for these standards.

**Recommendation: We endorse the American National Standards Institute's recommended standard for private preparedness. We were encouraged by Secretary Tom Ridge's praise of the standard, and urge the Department of Homeland Security to promote its adoption. We also encourage the insurance and credit-rating industries to look closely at a company's compliance with the ANSI standard in assessing its insurability and creditworthiness. We believe that compliance with the standard should define the standard of care owed by a company to its employees and the public for legal purposes. Private-sector preparedness is not a luxury; it is a cost of doing business in the post-9/11 world. It is ignored at a tremendous potential cost in lives, money, and national security.<sup>1</sup>**

## **Hurricane Katrina, August 2005**

### ***Lesson Learned***

The Department of Homeland Security, in coordination with State and local governments and the private sector, should develop a modern, flexible, and transparent logistics system. This system should be based on established contracts for stockpiling commodities at the local level for emergencies and the provision of goods and services during emergencies. The Federal government must develop the capacity to conduct large-scale logistical operations that supplement and, if necessary, replace State and local logistical systems by leveraging resources within both the public sector and the private sector.<sup>2</sup>

### ***Lesson Learned***

The Federal response should better integrate the contributions of volunteers and non-governmental organizations into the broader national effort. This integration would be best achieved at the State and local levels, prior to future incidents. In particular, State and local governments must engage NGOs in the planning process, credential their personnel, and provide them the necessary resource support for their involvement in a joint response.<sup>3</sup>

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<sup>1</sup> United States. The 9/11 Commission. The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States. 1 vol. 2004 (pp. 397-8)

<sup>2</sup> U.S. Executive Office of the President. *The Federal Response to Hurricane Katrina: Lessons Learned.* 2006. (p. 44)

<sup>3</sup> U.S. Executive Office of the President. *The Federal Response to Hurricane Katrina: Lessons Learned.* 2006. (p. 49)

### **Lesson Learned**

The Department of Homeland Security should develop a comprehensive program for the professional development and education of the Nation's homeland security personnel, including Federal, State and local employees as well as emergency management persons within the private sector, non-governmental organizations, as well as faith-based and community groups. This program should foster a "joint" Federal Interagency, State, local, and civilian team.<sup>4</sup>

### **Creating a Culture of Preparedness - Initiative**

We must build upon our initial successful efforts to partner with other homeland security stakeholders—namely the private sector, non-governmental organizations, and faith-based groups. Each of these groups plays a critical role in preparedness. To the extent that we can incorporate them into the National effort, we will be reducing the burden on other response resources so that Federal, State, and local responders can concentrate our energies on those with the greatest need.

Private sector companies own and operate 85 percent of our Nation's critical infrastructure. Transportation, electricity, banking, telecommunications, food supply, and clean water are examples of services relying on infrastructure that have become basic aspects of our daily lives. Yet, these services are often only noticed when they are disrupted and when the American public expects speedy restoration. In fact, the Nation relies on "critical infrastructure" to maintain its defense, continuity of government, economic prosperity, and quality of life. The services provided by these interconnected systems are so vital that their disruption will have a debilitating impact on national security, the economy, or public health and safety.

Companies are responsible for protecting their systems, which comprise the majority of critical infrastructure. Because of this, private sector preparation and response is vital to mitigating the national impact of disasters. Government actions in response to a disaster can help or hamper private sector efforts. However, governments cannot plan to adequately respond unless the private sector helps them understand what infrastructure truly is critical. Likewise, businesses cannot develop contingency plans without understanding how governments will respond. To maximize the Nation's preparedness, Federal, State, and local governments must join with the private sector to collaboratively develop plans to respond to major disasters. There are important initiatives in this area already underway by the Business Round Table (BRT) and Business Executives for National Security (BENS) project. We must encourage and build upon these efforts. The private sector must be an explicit partner in and fully integrated across all levels of response—Federal, State, and local.<sup>5</sup>

As can be seen, there is still a lot of opportunity for Emergency Managers to develop PPPs within their respective areas of responsibility. It must be recognized that development of future partnerships with our private sector stakeholders will strengthen both the public and private sectors in all phases of Emergency Management.

Traditionally, PPPs in Emergency Management have been mostly limited to planning, training, or exercise contracts on a fee for service basis – based upon specifications set forth by the jurisdiction. Some other examples of common PPPs in Emergency Management include debris management, temporary housing, and food, water, and ice supplies.

However, Emergency Managers in both the public and private sectors must broaden the scope of their PPP initiatives and begin looking to broaden these partnerships in the future in order to meet the challenges of future emergencies and disasters.

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<sup>4</sup> U.S. Executive Office of the President. *The Federal Response to Hurricane Katrina: Lessons Learned*. 2006. (p. 73)

<sup>5</sup> U.S. Executive Office of the President. *The Federal Response to Hurricane Katrina: Lessons Learned*. 2006. (p. 81)

## **Obstacles in Creating PPPs**

As Emergency Managers begin developing additional PPPs, it is important to understand the challenges while examining potential partnerships (many of which can be overcome with some education).

### **Identifying Potential Stakeholders**

First, identifying a list of potential private sector (and volunteer for that matter) partners that could be stakeholders in emergency and disaster prevention, mitigation, preparedness, response, and recovery can be a daunting task. Here are some potential (not all-inclusive) areas of expertise under the disaster management umbrella that one may be able to find potential partnerships:

- Utilities (infrastructure, damage assessment)
- Transportation Companies (evacuation, transport)
- Engineers (Infrastructure, staff augmentation for engineers within jurisdiction, damage assessment)
- Building Inspectors (damage assessment, staff augmentation for building inspectors within jurisdiction)
- Communications (equipment, damage assessment, staff augmentation for communications staff within jurisdiction)
- Debris Monitoring and Management
- Temporary Housing Manufacturers
- Construction companies (equipment, materials, supplies, personnel for repairs)
- Food, Water, Ice Retailers (food, water, ice, other supplies)
- Hardware Retailers (repair supplies, protective supplies)
- Health care facilities – hospitals, clinics, etc. (nurses, doctors, medical supplies)
- Temporary staff services (personnel)
- Corporations (personnel, supplies, materials)
- Private security companies (security personnel)
- Private ambulance services (ambulances, medical supplies, personnel)
- Generator rental or supply outlets (generators, power equipment)
- Retail and Commercial Rental Outlets (supplies, equipment)
- Restoration Companies (repair materials, document recovery, facility restoration, clean up)
- Warehouse Space / Temporary Storage (mass storage)

There are many areas where, in a large emergency or disaster, Emergency Managers can use assistance from private sector partners. A look through one's jurisdiction Emergency Management Plan will usually produce many areas where assistance may be needed.

## **Developing the Win-Win Partnership**

Another challenge that Emergency Managers face when developing a PPP is showing a win-win scenario to the potential partner. The Emergency Manager must educate the stakeholder on the advantages of the partnership. It is also important to stress how the partnership will benefit the community as a whole. Below is a table of possible items for the Emergency Manager to keep in mind when developing a win-win partnership.

### **Win – Wins for Public-Private Partnerships**

<b>Public</b>	<b>Private</b>
Certain Timeframe of Completion of Project	Exposure / Indirect Marketing
Staff Augmentation	Community Service
Innovative Solutions	Profit
Cost Effectiveness	Relationship Building
Enhanced Level of Preparedness	Expanded Field of Knowledge / Areas of Service
	Enhanced Level of Preparedness

## **Engaging the Private Sector Community**

### **Filling Gaps**

It is the responsibility of the Emergency Management community to develop continuing relationships between themselves and emergency and disaster management stakeholders in the public, private, and nonprofit sectors. Quite often, this is easier said than done with the increasing demands on the Emergency Manager's time. However, building these relationships is critical to a successful Emergency Management program.

Each Emergency Manager must examine his or her respective jurisdiction's Emergency Management Plan and determine what planning, training, exercise, personnel, and equipment gaps may exist. These gaps may exist due to lack of physical assets, but they also may exist due to lack of expertise. Whatever the case, it is important to identify these gaps prior to the emergency or disaster, and attempt to fill these gaps as soon as possible. PPPs can help Emergency Managers to fill these gaps.

There are PPPs to assist in filling virtually any operational gap that an Emergency Manager can identify. Many of these PPPs can be found within our communities and regions. Often, these PPPs can also be found at the numerous conferences and symposiums that are offered for Emergency Managers and other Public Safety officials.

### **Shared Interest**

Another methodology for engaging the private sector is determining where shared issues may arise, and a partnership would strengthen the ability deal with that particular issue. One prime example of this is Pandemic Flu planning. Pandemic Flu planning cannot be done alone in the public sector or the private sector, for there are some interdependencies that exist. As we all know, businesses both large and small provide the economic backbone for most, if not all, of our communities. Private sector also plays a critical role in

most of our critical infrastructure, such as utilities. If a Pandemic Flu incident were to occur, the U.S. Department of Health and Human Services estimates that 20% of the average adult population could fall ill to the flu. This number increases to 40% of children, which consequently results in parents having to stay home from work. A potential workforce reduction of this magnitude could certainly cause loss of service to critical utility infrastructure that usually has to be monitored.

In this example, it is critical to the community that the Emergency Manager and the private sector utilities work together to develop plans and contingencies if such a situation were to arise. Shared interests in planning, training, and exercises, can be found in all disasters. Therefore, it is critical to build PPPs now, rather than at the time of an emergency or disaster.

### **Summary - Public-Private Partnerships (PPPs) in the 21<sup>st</sup> Century**

As we move our Emergency Management programs into the future, we should define Public-Private Partnerships (PPPs) as relationships that are built between public and private entities to enhance comprehensive hazard mitigation, preparedness, response, and recovery programs in the community. These relationships are keys to successful Emergency Management programs.

As Emergency Managers, we are ever so cognizant of the rising demand placed on our programs, whether it is financial or operational. We are increasingly seeing patterns where many are asked to accomplish more with less – less people, less time, and less money. If we are wise, we will look for opportunities to develop PPPs to augment our programs in the public and private sectors. Integrating PPPs into our Emergency Management programs allows us to tap into technical, management, and financial resources in new ways to achieve our organization's goals and objectives.

It is the intent of the Public-Private Partnership Committee of the International Association of Emergency Managers (IAEM) to promote PPPs and explore ways that PPPs can mutually assist both the public and private sectors both on a day-to-day basis, as well as during emergencies and disasters.