

THE POWER OF **INCLUSIVE** PROCUREMENT



A Gateway To
Economic Opportunity

PUBLIC PROCUREMENT

WHAT IS PUBLIC PROCUREMENT?

PUBLIC PROCUREMENT is the process that government agencies use to buy goods and services for public use. Procurement purchases range from routine items, like office supplies and cleaning services, to major contracts for equipment, material, engineering, and construction projects. Agencies can also procure for other professional services, such as legal and accounting.

\$2,000,000,000,000

Public procurement is a major force in the American economy. Each year, governments in the U.S. spend about **\$2 TRILLION** to purchase goods and services for public use. The vast majority of public procurement dollars – about two-thirds – are spent by local and state governments.

HOW

...DOES PUBLIC PROCUREMENT WORK NOW AND HOW DOES IT EXACERBATE HISTORIC INEQUITIES?

PUBLIC PROCUREMENT is subject to specific laws and policies that cover how agencies make different types of purchases. At the same time, many procurement rules and practices are discretionary and within the control of public agencies.

Public procurement is often misunderstood or overlooked by the general public, who may not know where to find information about procurement processes. Procurement awards are also often concentrated among a relatively small number of businesses that repeatedly win contracts.

This combination of factors frequently results in procurement systems that work to the advantage of the status quo, and to the **DISADVANTAGE** of new businesses and historically underrepresented groups, most notably **COMMUNITIES OF COLOR AND WOMEN.**

INCLUSIVE

WHAT IS INCLUSIVE PROCUREMENT?

INCLUSIVE PROCUREMENT is an approach to government purchasing that's designed to maximize **EQUITABLE ECONOMIC, SOCIAL, and ENVIRONMENTAL BENEFITS** for the communities that public agencies serve.

Inclusive procurement is based on the deeply held belief that an equitable and vibrant economy that advances ALL communities can improve overall quality of life.

Inclusive procurement programs prioritize:

- * **pre-bid conferences** and other forms of meaningful public outreach
- * **transparency** and public accessibility
- * **metrics and accountability measures**, such as job creation statistics and tracking participation by small, women-owned, and minority-owned businesses in local procurements

WE ARE
OPEN



OPPORTUNITY

HOW CAN INCLUSIVE PROCUREMENT OPTIMIZE OPPORTUNITIES FOR BUSINESSES AND INDIVIDUALS DEALING WITH HISTORIC INEQUITIES?

INCLUSIVE PROCUREMENT can establish new paths to opportunity and growth by:

- * **expanding the use of procurement strategies** that prioritize overall value rather than lowest total cost
- * **taking proactive measures** to expand community outreach through periodic meetings on agency business and upcoming procurement plans
- * **increasing meaningful business opportunities** for historically underrepresented groups through mentor-protégé programs and prime contracting programs
- * **incentivizing the creation** and retention of good jobs through innovative policies like the U.S. Employment Plan
- * **encouraging spending in local areas.** City leaders from diverse communities across the country – large metro areas, medium-sized cities, and smaller municipalities – are already making great strides on inclusive procurement, with quantifiable results.
- * **correcting policies** that unnecessarily restrict competition

HOW CAN INCLUSIVE PROCUREMENT HELP THE ECONOMY AND ENVIRONMENT IN YOUR COMMUNITY?

INCLUSIVE PROCUREMENT works strategically by directly linking public spending to the achievement of major local, regional, and state goals for economic vitality, social progress, diversity and inclusion, and environmental quality.



HOW CAN MY SMALL BUSINESS BECOME AN ACTIVE PARTICIPANT AND LEARN MORE ABOUT LOCAL PROCUREMENT PROCESSES?

THE FIRST STOP for small businesses interested in public procurement is a “business readiness” appointment with the agency where you want to do business. In your meeting, make sure to ask about procedures for special business certifications (SBE, DBE, M/WBE programs), vendor registration, how to locate information on upcoming procurements, and standard contract terms and conditions (including insurance, bonding, bid security, and payment provisions).

It may also be helpful to ask about public access rules for reviewing past procurements in your area of business interest; complaint procedures; and contact information or referrals to other reputable sources of low- or no-cost technical and financial assistance.

Make every effort to participate in **PRE-BID MEETINGS** in your area of interest. Ask for a formal de-briefing if you offer an unsuccessful bid or proposal – including the opportunity to review the successful offeror’s package.

Finally, in your meetings with public agency procurement staff, ask for their insights on simple, common mistakes that most frequently cause bids to be disqualified. ■

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