

Workforce Primary Strategy 3: Procurement



Procurement enables an agency to align its spending with its values and can be an important way to use required processes to diversify impact and build vendor capacity. The White House through executive order, as well as BIL and IRA, emphasize the importance of engaging underserved organizations in this work so they are the beneficiaries of the investment. This includes small businesses, nonprofits and the workers themselves. Many of the agencies also consider how worker protections will be maintained in any subgranting that will occur under the grant in their applicant reviews.

Procurement includes 3 substrategies. Use the links below to jump directly to the strategy of interest.

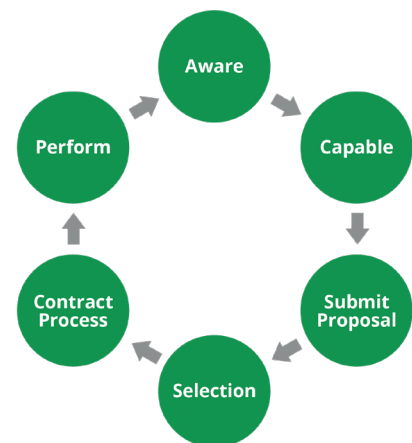
Procurement Substrategies		
3a - Vendor Diversification	Mindfully creating a diverse group of suppliers that can provide the same or similar products or services while supporting inclusive growth in a community	JQ Principle: Various
3b - Procurement Execution	Procurement practices that embed job quality and equity into each phase of the work	JQ Principle: Various
3c - Active Contract Management	Regular, data-informed meetings between government agencies and social service providers designed to produce action that improves performance ¹	JQ Principle: Various

3a - Vendor Diversification

A key way that cities can use the IJIA and IRA fund process is to drive equity is through vendor diversification. Expanding the type of organizations that an agency uses to provide everything from basic commodities to service delivery can improve local jobs and strengthen communities. Inclusive vendor relationships start with an evaluation of the existing vendor pool to understand the types of organizations that have been previously funded, the roles they have played and the amount of funding the organizations have received. Metrics might include:

- Total vendors and total funding
- Vendor demographics (race, sex, gender, disability, veteran status, etc.)
- Quantity and cost of contracts (note multiple contracts)
- Number of completed/compliant contracts and incomplete/non-compliant
- Ideally by department or division

Keep in mind that there may be gaps in your data. These gaps present opportunities for new data collection going forward.



¹ https://govlab.hks.harvard.edu/files/govlabs/files/six_tools_for_implementing_active_contract_management.pdf

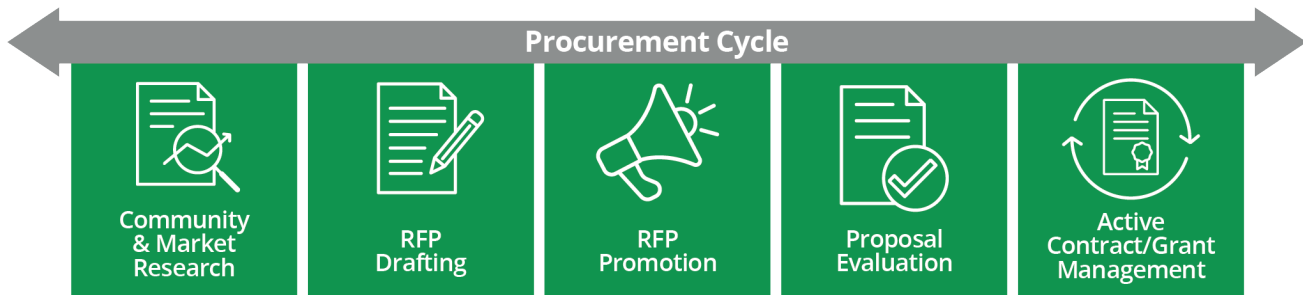
The results of this assessment should then be compared to the makeup of the community as a whole, as well as the existing pool of vendors for a given need.

- **Vendors Exist:** In cases where diverse vendors exist in the community but have not typically received public sector funding, examine each aspect of the procurement process. Who is applying? Who is being advanced? Who is awarded? Who is successfully performing? Consider interviewing or surveying local businesses to get a sense of their awareness and perceptions of your agency's procurement process. Businesses may lack knowledge of how the procurement process works, feel that it is too complicated or time-consuming, or have repeatedly applied but not been selected. The insights gained will allow the city to establish a set of goals and an action plan to address barriers to participation at each step of the process.
- **Insufficient Vendors Locally:** If a diverse set of vendors do not currently exist for a given service or commodity, consider how the city can attract or grow such talent. This might include making investments in small businesses, providing technical assistance or other training, or recruiting new businesses to the local area in order to meet the need. Cities can also explore partnering with counterparts in their region to collaboratively attract or invest in growing the vendor pool to meet a set of shared needs.

- See [Results for America's Economic Mobility](#) catalog for more information and case studies on [inclusive procurement](#) and [prioritizing equity in the local decision-making process](#).
- The [We Mean Business Coalition](#) provides support and tools for diversifying suppliers
- [Contracting for Equity: Best Local Government Practices that Advance Racial Equity in Government Contracting and Procurement](#) by the Local and Regional Government Alliance on Race and Equity

3b - Procurement Execution

The deployment or sub granting of BIL and IRA funds will be a primary role for city governments as many of the tactical construction tasks will be performed by a mix of employers, while training is delivered by K-12, community college and nonprofit organizations. Cities should include a clear vision for how their subgranting process will maximize engagement with and benefits for underserved communities, as outlined in BIL, drive the creation of quality jobs² and uplift economic equity³ as outlined in the [president's executive order on racial equity](#). Doing this may require making changes at various stages of the existing procurement cycle.



Procurement Cycle from [RFA's Job Quality Playbook](#) and [Harvard's Procurement Excellence Framework](#)

Embedding Equity and Job Quality by Phase

<p>Community and Market Research</p>	<ul style="list-style-type: none"> • Build staff time, marketing and participating compensation into your BIL/IRA budget to undertake listening sessions, interviews, town halls or focus groups in the communities across your local area prior to deploying the funding. • Consider using human-centered design principles to structure and inform this work. • Wherever possible, involve community members in the design and delivery of this research and compensate them for their time to demonstrate value for their contributions. Members of the community are the experts on their own needs and realities. • Track who you are reaching and where there are still gaps to target your follow-up and provide appropriate context for any learnings.
<p>RFP Drafting</p>	<ul style="list-style-type: none"> • Offer pre-submission engagement opportunities and technical assistance to minority and disadvantaged businesses in order to increase their ability to apply. Make sure to track how and by whom the TA is used. • Consider requiring or prioritizing certain aspects of equity and job quality (e.g., awarding points or other preference, set-asides of local jobs) by including the implementation of policy and compliance with enforcement activities as part of the overall package. • Build in pre-review options where organizations can submit a draft response for feedback before it is final to ensure they are aligned with the city's needs.
<p>RFP Promotion</p>	<ul style="list-style-type: none"> • Work with local partners to get the word out regarding the funding opportunity to businesses, educators, nonprofits, chambers, associations and other trusted communicators.
<p>Proposal Evaluation and Award</p>	<ul style="list-style-type: none"> • Communicate clear expectations for the partnership. • Engage diverse individuals in creating and carrying out a set of fair, unbiased evaluation approaches. • Track who is selected to participate in evaluation committees and results by trend to surface any gaps or inequities (e.g., is a BIPOC-owned business more likely to be selected when a greater number of BIPOC-owned individuals are on the committee, or is living wage more likely to be encouraged when workers from the field are included) to improve future procurements.

2 See [Procurement lever](#) from RFA's Job Quality Playbook for more details on how procurement and purchasing can drive creation of or improvement of good jobs.

3 [Leveraging Procurement for Economic Equity](#)

As part of selecting the vendor that will support BIL funding, cities and counties will need to work with various departments to ensure successful implementation and enforcement of programs, as discussed in [Workforce Strategy 4](#). An example of a county using its procurement power: San Diego County Board of Supervisors voted to create [Board Policy B-74](#), which allows for the creation of a wage theft retention fund to provide workplace protections and training for janitorial workers, landscapers, and security guards. This policy aims to ensure that the county contracts with a contractor that provides benefits, training, support and other resources to their employees, rather than to try to rectify wage claims or other violations after an abuse has occurred. Implementing these requirements will provide the county with assurances that contractors will ensure labor peace agreements (LPAs), comply with local, state, and federal laws, and adhere to the county's commitment to its Live Well San Diego Initiative and the Framework for the Future.

Departments involved in this program include the Department of Purchasing and Contracting (DPC) to conduct the procurement process, the Office of Labor Standards and Enforcement ([OLSE](#)) to conduct trainings and investigations to hold vendors accountable, the Department of General Services to manage the contracts for the janitorial services and conduct audits of vendor(s), and the Department of Parks and Recreation, which manages the contracts for the landscapers and security guards and conducts audits of vendor(s).

- [Using Government Procurement to Promote Equity](#)
- [Government-Wide Equity Procurement Tool](#) – This tool supports Executive Order 13985 and OMB Policy Memo M-23-11 and utilizes data from FPDS and SAM to assist federal agencies with market research, with a focus on small disadvantaged businesses. Users will need to register for an OMB MAX account to access the tool.
- The [National Minority Supplier Development Council](#) helps to support small businesses with governments seeking their services.
- [How To Support Good Jobs and Workforce Equity on Federal Infrastructure Projects](#) by Center for American Progress

3c - Active Contract Management

The concept of active contract management was developed by the Government Performance Lab at Harvard. It is centered around creating space for proactive, integrated conversations between government agencies and their contractors. It seeks to build strong relationships that use regular connections and data as a platform for decision-making. This creates a proactive, instead of reactive, environment where issues can be anticipated and learnings can be infused into the work.

Cities should embed active contract management approaches into their infrastructure proposals as an impactful, high-touch mechanism to ensure that the programs are achieving their outcomes and subgrantees are aligned with the cities' vision and requirements for the work. Including active contract management as a part of the plan demonstrates not only a commitment to advancing equity and job quality but the necessary scaffolding to execute on the work. This includes:

- Allocating resource capacity and schedules for regular meetings with contractors/awardees to engage.
- Making investments in data collection efforts to help inform the progress of the project throughout its lifecycle. This may include making changes to systems and reporting or even upskilling staff around data collection or analysis.
- Building in expectations of real-time learning and adjustments into contracting so that changes can be made as learnings are surfaced.
- Creating and using detailed logic models, as discussed in the section about [Logic Models](#), to guide and inform the measures of success for the work and then transform the data collection approach.

For more information on active contract management, as well as examples of how other government agencies have used this approach, see the resources below.

- [Active Contract Management: How Governments Can Collaborate More Effectively with Social Service Providers to Achieve Better Results](#) by Harvard Government Performance Lab
- [Six Tools for Implementing Active Contract Management](#) by Harvard Government Performance Lab
- [Results for America's Active Contract Management and Purchasing](#)

Procurement Examples

Workforce Spending Guide ↗

See examples of workforce-focused procurements and purchasing in a variety of cities

Education Spending Guide ↗

See examples of education-focused procurements and purchasing in a variety of cities

Evidence Base for Procurement

As cities and states lean in on the use of policy to improve job quality, the evidence base continues to grow. Some studies include:

- [Equity in Federal Procurement Literature Review](#) by the Small Business Administration in partnership with New Editions, Consulting, Inc
- [The Benefits of Increased Equity in Federal Contracting](#) by the White House Council of Economic Advisers (CEA)
- [The Effects of Prevailing Wages on Construction Costs](#) by the Economic Policy Institute