

STATE AND LOCAL PROCUREMENT PREFERENCES: A SURVEY

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ABSTRACT. The use of public procurement as a vehicle for implementing various socioeconomic preference policies has a long history. This article reviews the current state of affairs of procurement preference programs with regard to U.S. state and local governments and analyzes their impact on both the recipients and on the public procurement process. Opportunities for further research are noted, and the authors conclude that the ability to navigate the difficult waters of socioeconomic preferences should be a core competency of state and local public procurement officials.

INTRODUCTION

Public administration has long struggled with the twin goals of equality and efficiency in American government (Okun, 1975). Nowhere is this conflict more evident than in public procurement. In this survey, we inventory the range of preference programs in U.S. state and local government procurement, discuss patterns of practices and trends, analyze their impact on both the recipients and the public procurement process, and offer suggestions for further research. Our primary focus is on preferences for specific types of businesses as well as similar programs. We do not dwell on the subject of general affirmative action policies, as these are frequently tied in with other, existing federal requirements.

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LITERATURE REVIEW

Government has always used its purchasing power as a tool to achieve certain social and political purposes. Even before the Revolutionary War, states and local governments used purchasing power not to buy British goods as a boycott of Britain's tax policy. Contemporary governments have extended this usage in many more forms and for a much wider range of purposes.

At the federal level, a policy favoring U.S. businesses existed during the Civil War, a preference for small businesses goes back at least to 1941, and a government contract for labor standards dates as far back as 1917 (Nagle 1999), and by 1919 clauses mandating payment of minimum wages were common in local government contracts (Thomas, 1919). The Buy American Act was adopted by the federal government in 1933, but its root could go back to 1844 legislature that required agencies to purchase domestically (McCrudden, 2007). There was specific recognition of the importance of socioeconomic programs for state and local governments when the American Bar Association (1979) issued its "Model Procurement Code" in 1979, as one of its twelve articles concerning assistance to small and disadvantaged businesses.

Preference programs in public procurement have received considerable attention in print and on-line writings. Studies and analyses of these preferences have encompassed procurement journals (Coggburn, 2003), public administration journals (most recently Celec, Voich, Nosari, & Stith, 2003), law reviews (Brody, 1996), newspapers touting the availability of the programs (Chandonnet, 2002), official government web sites (including that of U.S. Small Business Administration [www.sba.gov]), and even attorneys offering legal assistance on the subject (Gordan, 2001).

Research on social programs in state and local public procurement is also found in the series of reports sponsored by the National Association of State Procurement Officials' (NASPO). The reports devoted a few pages on preference treatments in public procurement (The National Association of State Purchasing Officials, 1997; 1999; Short, 1992; The Council of State Governments, 1975).

Forms of Preferences in American State and Local Governments

There are various domestic socioeconomic and political goals that the preferential programs aim to achieve (McCrudden, 2007). Among them are 1) protecting national (or local) industry against foreign competition, 2) improving the competitiveness of certain industry scope, and 3) attempting to achieve particular social policy goals. The best example of protecting national (or local) industry is the “Buy American Act” and the various geographic preferential policies that will be discussed below. Small business preferences, the largest procurement preferences program in the U.S., best illustrate how public procurement is used to improve the competitiveness of certain industry. Similar preferences are given to women and minority-owned business. The wide range of specific social goals that governments try to reach through public procurement includes the following: to promote fair labor conditions and minimum wages, to remedy past discriminations, to sustain economic development, and to protect the environment. This section will review different types of preferential programs used in U.S. state and local governments.

The sorts of preferences found in state and local government procurement are varied. There are geographical “preference law” and non-geographical one. According to Short (1992), there are five types of geographical “preference law” in government procurement legislation:

- The percentage preference law gives in-state or local bidders a specific advantage over out-of-state or nonresident bidders in the award of public contracts.
- The tie-bid preference law allows in-state or local bidders to win the award if their bids are the same as those of nonresident bidders. Nearly all the states and local governments have this policy.
- State and local governments also have adopted “general, often ambiguous, preference law which...ranges from tie-bid preference to a relatively large percentage preference” and authorizes administrators to extend “comparable” preference, “in the best interests of the jurisdiction” or “as far as may be practicable” (Short, 1992, p. 71). Due to its administrative ambiguousness, it is difficult to document or assess this type of preference law.

- The absolute preference law stipulates government must buy certain goods or services within a designated area. Printing is the most common “protected” commodity, followed by coal. Lumber and paper products and such food as milk are protected products in New York and South Dakota.
- The reciprocal preference law gives preference to residents whose state does not have preference laws. More than half of the states have this type of preference laws.

According to a NASPO 1975 survey (NASPO, 1975), 11 states had statutes awarding a percentage preference from 1.5% to 10% preference to in-state bidders. The 1993 National Institute of Governmental Purchasing survey reported that 24% of respondents gave preference to residents (NASPO, 1997).

Related to geographic preference law is the Buy American Act, adopted in 1933 and designed to require U.S.-produced materials for federal public works projects. Numerous states followed by adopting the act for state projects. Though rarely formally adopted in local governments, American-made vehicle acquisition and construction materials are preferred in administrative decisions. While the most commonly specified “Buy American” commodities at state level are beef and steel, a few states require that preference be given to domestic products without specifying the commodities (Short, 1992).

In addition to geographic preference, many states and local governments have preferences, set aside programs, or mandatory purchase programs for a variety of socioeconomic purposes. Among them are the purchases of environmentally sound products and set-aside programs for certain groups including small, minority, disadvantaged, veteran-owned or women-owned businesses. Although an “environmentally friendly” procurement law is not classified as preference law, it has its non-economic purpose. Some states also mandate that products be procured from the developmentally disadvantaged such as the deaf and blind.

In each case, government apparently believes that social and political benefits from these programs are worth the cost arising from restricted competition. Preference in the set-aside programs is also common on the subcontracting basis when a large amount of subcontracting of construction is involved.

Though generally accepted in the procurement community, procurement preferences are not without criticisms. To the critics, certain industries, e.g., prison industries or sheltered workshops, are already tax- subsidized and tax-exempt. Further preference through government procurement gives them unfair advantages over other industries. In addition, some states have adopted state-use laws requiring agencies to use government-produced goods such as those made in prisons (National Association of State Procurement Officials, 1997, pp.20-21).

A 1998 survey by the National Association of State Procurement Official (NASPO, 1999) found the following:

- 27 states have product preferences, and 25 states apply product preferences to commodities.
- 12 states have price preference or set-asides for women-owned businesses;
- 18 states give price preferences and set-asides to minority-owned businesses;
- 20 states give preference and set-asides to work centers;
- 28 states give preference and set-asides to the prison industry;
- 12 states have preference treatment for small businesses;
- 27 states have certification programs for minority-owned business;
- 18 states have policies, procedures, or laws to assist in balancing the competing interests of preferred sources (products by the blind and handicapped and correctional industries) versus resident, small, minority, and women-owned firms; and
- 15 have "Buy American" laws (NASPO, 1999).

On the environment issue, the same survey also found that "twenty-three states require a portion of total state purchases be made up of recycled products. Twenty-five states procure and use recycled oil. Forty-three states procure and use alternative vehicle fuels. Forty-five states purchase vehicles that utilize alternative fuels. Thirty states purchase soybean ink for state printing" (NASPO, 1999, p. vi). According to a report released on the Raymond Communications website (Undated), all 50 states and 200 local

governments have laws providing purchasing preference for recycled products (“Purchasing Preferences for Recycled Products,” undated).

State and local governments also use selective purchasing to bring pressures for changes outside the U.S. For instance, in the mid-1980s, to push for changes in South Africa, many state and local governments sought contracts only with those companies that did not do business with South Africa. Selective purchasing laws were increased in the 1990s when Americans were more concerned about human rights issues in some countries, including Myanmar, Nigeria, Switzerland, China, Egypt, Kuwait, Turkey, Saudi Arabia, and Indonesia (McCrudden, 2007).

A more recent socioeconomic program through public purchasing is the living wage law, a law “require[ing] employers receiving [government] contracts or [government] business subsidies to pay full-time workers a wage sufficient to support themselves and their families at a subsistence level – typically from \$8.5 to \$12.00 per hour and to provide health benefits” (Cooper, 2003, p. 1). In 1994, Baltimore became the first city in the nation to adopt such a law, followed by more than 100 other cities and counties, including Boston, Los Angeles, New York, Portland, Oregon, and Detroit (Elmore, 2003; Macpherson, 2002). In 2007, Maryland became the first state in the nation that passed a state-wide living wage law. It currently requires for-profit state service contractors to pay their employees \$11.03 per hour (Progressive Maryland, Undated).

Federal Government Procurement Preference Programs

The federal government, as the largest purchaser in the nation, has adopted the similar preferential treatments in its procurement policy. The Small Business Act of 1953 provides the legal base for set-aside programs for small businesses that meet small business size standards for their industry; and small disadvantaged businesses that are at least 51% owned by one or more socially and economically disadvantaged individuals or stockholder (National Performance Review, 1993). This preference programs is one of the largest categories in the U.S. The Federal Acquisition Streamlining Act (FASA) of 1994, among other things, established a new 5% government-wide procurement goal for women-owned business. This includes a 5% goal for prime contract award and a 5% goal for subcontract awards. A women-owned business is defined as a small business that is at

least 51% owned by one or more women (Office of Women's Business Ownership, undated, p. 3).

According to Clark and Moutray (2004), acquisition reforms legislated in the 1990s had both positive and negative effects on small business procurement. For instance, FASA authorized multiple-award contracts. This tends to hurt small businesses since they do not usually reach the size of multiple-award contracts. The Clinger-Cohen Act of 1996, among other things, authorized credits cards for use to purchase up to \$2,500. Since the act did not specify any small business requirement, small business procurement opportunities might have been limited. On the positive side, the Small Business Reauthorization Act of 1997 raises the annual goal of small business procurements by federal agencies from 20% to 23%. In FY 2003, 23.6% of federal contracts went to small business. Despite this increase, concerns exist. In addition, federal agencies have not met their goals for women, minorities, or veteran and contract bundling and purchasing cards may restrict small business opportunities. Given the fact that small businesses are important for the U.S. economy, Clark and Moutray (2004) feel that efforts need to be made to increase small businesses' participation in federal procurements.

Another major preferential procurement program at the federal level is in the environmental area. The Executive Order 12873 on Federal Acquisition, issued in 1993, authorized executive agencies to give preference to procurement environmentally friendly products and services. An agency's purchasing decision should be based on considerations of environmental factors together with the traditional ones such as product price and performance (U.S. Environmental Protection Agency, 2000).

International Use of Preferential Procurement Programs

The Canadian government implemented a set-aside program for the aboriginal population in 1995 (Bolton, 2006). Preferential purchasing programs were also developed in the European community for a wide range of socio-economic goals, including fostering the creation of jobs, promoting fair labor conditions, promoting the use of local labor as a means to prevent discrimination against minority groups, protecting the environment, encouraging equality of opportunity between men

and women, and promoting the increased utilization of the disabled in employment (Watermeyer, 2000). Several European countries were early adopters. For instance, the British government introduced a plan to use government contracts to encourage the employment of disabled ex-service men in 1919 (McCrudden, 2007).

Several developing countries are also using public procurement as a policy tool to address socioeconomic issues. According to Sadikin (2008), Indonesia, having started to integrate a sustainable/green public procurement system, is making progress in its public procurement management as a strategic activity. The Malaysian government has implemented preferential procurement programs since 1974 for indigenous Malays and for other domestic providers. The preference to Malays was mainly a response to the country's riots in 1969 (McCrudden, 2007). In 1996, South Africa added a constitutional provision to recognize government procurement as a means of addressing past discriminatory policies and practices by increasing the participation of small, medium and micro enterprises (SMMEs) with the emphasis on the disadvantaged and marginalized sectors of society and the unemployed (Bolton, 2006). Brazil has discussed granting preferential treatment to small businesses (Foresti, Arantes & Rossetto, 2007). Hartley (2006) calls for an international procurement system to use procurement as a tool to improve the quality of life for international disadvantaged groups.

Controversies over Procurement Preference Programs

There are varied histories or purposes behind these preferential programs. Geographic preference programs are expected to encourage businesses to stay in the area, create more jobs, and increase local tax revenues (NASPO, 1975). Many of the absolute preference laws had their roots in 19th century local politics. For instance, preference is given to printing because for most of the 19th century, "public printing contracts helped support the back shops of the local partisan press which, in turn, supported a given local political party" (Short, 1992, p. 70). Preferential treatment for minority and women-owned businesses is to redress past discrimination and ongoing disadvantages. "Buy America" protects American products. Living wage laws go beyond minimum wage to guarantee a decent salary to reduce poverty. These programs are criticized on many fronts. These preference laws are inherently anti-

competition. Many critics believe that they violate the basic principles of public purchasing: equity, impartiality, open competition and the least cost to the taxpayer. Economically, these programs provide subsidies that are costly to the taxpayers. In addition, the practice discourages competition, which would leave tax-payers paying a higher cost. For example, a survey by a National Association of State Purchasing Officials committee in the 1970s showed that prices usually were increased by the amount of the preference percentages and eventually by more than this amount.

The National Association of State Purchasing Officials has consistently been against the practice of preference treatments. "Preference provisions and practices should be eliminated from public purchasing. Government bodies and legislatures must recognize that preference is promoted by business and special interest groups, that the net effect is costly, and that efforts to establish or maintain preference need to be resisted" (NASPO, 1975, p. 9.4). The National Institute of Governmental Purchasing holds the same view (Short, 1992).

Geographic preference laws have been challenged in the courts many times throughout the entire 20th century. In most of the early cases, the courts did not address the interstate commerce issue raised in in-state and local preference laws. Instead they upheld many of these practices under the concept of sovereign immunity which protects government from tort liability and the power to make long term contracts.

Since the 1970s, courts began to apply a commerce clause in reviewing in-state and local preference laws. In 1988, the Federal District Court in Arkansas reviewed two separate Arkansas preference statutes that had been challenged on the basis of the commerce clause, equal protection, privileges and immunity and due process. One statute requiring contractors to pay certain local taxes for two successive years was upheld since non-resident contractors could become qualified if they pay the taxes. The other statute which granted a 5% preference to resident firms in the purchase of commodities was struck down because "the criteria for qualification [of resident firms] as expressed in the statutes are sufficiently vague as to constitute violation of the due process clause" (Short, 1992, p. 72).

Preference laws to aid local, small, minority and women-owned business and to protect American manufacturers have been challenged on the grounds of “effectiveness, equity, and legality” (Short, 1992, p. 73). In an early case, *Fullilove v. Klutznick*, the U.S. Supreme Court upheld the federal 10% set-aside for minority requirement in grants made under the Public Works Employment Act of 1977. The Court stated that the Congress’ authority under the commerce clause “was sufficiently broad to influence how contractors on federally funded local construction projects performed” (Short, 1992, p. 74). The court also established the criterion that “the remedy must be specific and appropriate” (Short, 1992, p. 74). In 1989, in *City of Richmond v. J.A. Croson Co.*, the U.S. Supreme Court struck down Richmond’s Minority Business Utilization Plan¹ because the plan failed to demonstrate a narrow focus based on carefully researched and highly demonstrable justification. Speaking for the majority of the court, Justice O’Connor (quoted in Short, 1992, p. 75) stated: “Richmond failed to demonstrate their past discrimination in the city’s own construction procurement. The Plan was not narrowly focused since it permitted minorities from outside the Richmond area to participate in an absolute preference over other citizens purely on race.”

In a 1996 case, *Adarand Constructors v. Peña*², the U.S. Supreme Court declared that government set-aside programs must be subject to “strict scrutiny” and must be narrowly tailored to achieve a “compelling government interest” (quoted in Janda, Berry & Goldman, 2006, p. 542). Under the strict scrutiny test, few government set-aside programs can meet the criteria. Indeed, the recent court cases have shown that the legality of set-aside programs can be challenged everywhere.

Interestingly, neither the Richmond case nor the Adarand case concerned the award of prime contract set-asides for minority firms or price preferences in prime contract awards. Useful historical reviews of the subject, culminating in a discussion of these two cases, are Brody (1996), Rice (1991), and Rice and Mongkuo (1998). The Federal government’s official positions are found in documents issued by the U.S. Department of Justice (1995) and the U.S. Small Business Administration (Office of Advocacy, 2000). Following the Adarand decision, nearly two dozen states introduced bills to limit or ban public procurement preferences (Rice & Mongkou, 1998) and as

of 2003, nineteen states had eliminated minority set-asides (Coggburn, 2003).

In the *Adarand* decision, the Supreme Court also implied that, based on the *Croson* decision, a disparity analysis could serve as the basis for a valid preference (Rice & Mongkou, 1998). Consequently, many jurisdictions have conducted (or contracted for) disparity studies, as reported by Enchautegui, Fix, Loprest, von der Lippe, and Wissoker (1997). For example, the City of Phoenix, Arizona, issued a "Request for Qualifications" in 2004 to acquire a disparity study "to evaluate marketplace discrimination, if any, against minority/woman-owned and small business enterprises" (Equal Opportunity Department, 2004). The study, an update of a prior effort, was budgeted at \$250,000. The methodologies used to perform disparity studies have become the subject of much debate (Rice, 1992, Celec et al., 2000), and a handbook has been published to help local officials develop proper disparity studies (La Noue, 1994).

The 1980s and 1990s were difficult times for many preferential programs in both U.S. and in Europe. They were criticized and went through strict scrutiny. Though more limited, use of public procurement as it is, is far from being over. Continuous efforts have been made at the international level "to establish a new rapprochement between social development, economic liberalization, human rights, and world trade" (McCrudden, 2007, p. 363). The growth of corporate social responsibilities as a response to globalization and the significance of environmental issues increase the popularity for using public procurement as a useful policy tool in many countries. New preferential procurement programs emerged in some European Community members and the existing programs strengthened in others (McCrudden, 2007).

The U.S. also sees the reassuming discussion of using public procurement as a policy tool. The 2nd International Procurement Conference of the Americas held in Atlanta, Georgia, in fall 2005, pushed the debate of using public procurement for promotion and development of small business. Various scholars advocate the continuing use of preferential procurement as a socioeconomic policy tool. For instance, Erridge (2005) proposes that while "the achievement of regulatory and commercial goals and values remain important, opportunities to deliver wider socioeconomic policies

through public procurement should be pursued more extensively” (p. 335). Prier, McCue, and Bevis (2008, p. 639) propose a triple bottom line for public procurement - “simultaneous delivery of economic, environmental, and social performance.” Public procurement should not only focus on the traditional values – openness, fairness, and transparency. It should not only favor a certain group of buyers because of race or sex. Rather, Prier, McCue, and Bevis see that public procurement should be used a tool to strategically achieve the goals of the community, particularly in sustainable economic development. Procurement practitioners also need to play a more active role to communicate to the policy makers about how to procurement preference strategically.

Kashap (2004) stated that public procurement is an indispensable economic activity for good governance. It is not tapped enough. The three functions (economic, political, and social policies) can be reinforced with each other. He supports more use of public procurement as a policy tool. He also mentioned that not only independent nations, but also multilateral funding institutions and international aid organizations should implement their development assistance and human relief programs aimed as fighting diseases, reducing poverty, and fostering economic and social development.

Need of Empirical Studies of Preferential Procurement Programs

While procurement programs are controversial, empirical research on its impact is limited. According to NASPO (1999), “there is no substantial body of data” to suggest the gain for the preferential group is worth the cost incurred by taxpayers, including the losses due to restricted competition. Living-wage laws have generated both “pro” and “con” sides. Both sides have produced empirical studies supporting their respective positions (see, for example, Kraut, Klinger, & Collins, 2000; Reynolds, 1999; Macpherson, 2002; Tolley, Bernstein, & Lesage, 1999). A more recent study conducted by Brennan Center of New York City University’s School of Law recently found that local governments with living-wage laws have experienced only modest cost increase, and the laws did not prevent cities from attracting new economic development (Cooper, 2003).

There have been several U.S. federally-sponsored research reports on state and local government’s “buying green” programs, primarily in the form of case studies, including the Commonwealth of

Massachusetts (U.S. Environmental Protection Agency, 1998b), the City of Santa Monica, California (U.S. Environment Protection Agency, 1998a), and a general compendium of state and local government experience (U.S. EPA, 2000). Each of these studies touts the benefits of the program. The last of these studies examines the range of procurement methods in practice at various jurisdictions, including price preferences, “best value” purchasing, and vendor fairs and surveys.

Wallace’s (1999) case study, which focuses on structural barriers to access information for women and minority-owned firms, examines the extent to which minority procurement activities facilitate minority community economic development in the absence of federal goals. Wallace concluded that “the continued minority procurement activity is necessary for overall community economic development” (p. 73). As a case study, Wallace’s finding cannot be generalized to preference programs in other jurisdictions. Also, it did not address many other issues.

The most extensive survey of state and local government procurement preferences to date is Enchautegui et al. (1997). Undertaken by the Urban Institute, this study surveyed all states to find empirical studies of disparity in awards to minority contractors. (An example of such a study, completed after Enchautegui et al.’s publication, is Erickcek & Goheen, 2001). Enchautegui et al. found 95 studies, and combined the results of 58 of them from 18 states and the District of Columbia into a summary analysis giving a national picture of disparity in contracting. The authors concluded that disparities are greater where no procurement preference programs exist (Enchautegui et al., 1997).

While disparity studies have been the most common area of research, understanding on many other aspects of procurement preference practices is limited. This study will try to find out what forms of preferences government agencies use in the procurement process; and examine how they determine eligibility for preference, where they get authority to implement preference program, and what mechanism they use to provide preference.

METHODOLOGY

An online survey was sent to 2,068 National Institute of Governmental Procurement (NIGP) members during Oct 1 -12, 2004. Of these, 173 invitations were not delivered, and 1985 members were surveyed. The number of responses was 256. The same survey was sent to NIGP members again in 2006, garnering 227 responses. The total number of responses was 483. The 42 duplicates reduce the total valid response numbers to 441. The response rate is 23%, which is about the average response rate for surveys in the public administration field. The result is analyzed in the Statistical Package for Social Science program.

The authors recognize that this survey is not a representative sample, because not all public procurement officers are NIGP members. Combined with the low response rate, the findings should be interpreted with caution. Still, this is a reasonable approach to gauge the current use of preference/social programs. Who knows better about these social programs in procurement than a procurement professional in NIGP?

FINDINGS

In this finding section, we will first report the profile of the survey respondents. Then we will present and discuss findings about preference programs: types of programs, the eligibility of preference, the legal basis of the programs, and mechanisms for giving preferences.

Profile of Respondents

As shown in Table 1, most of the respondents come from city/municipal governments (39% of total respondents) and county/regional government (21%). The third largest source of respondents (15%) is from state government procurement officers. All other government entities produced a small number of respondents.

As shown in Table 2, 55.6% of the respondents hold a bachelor's degree and 32.4% a graduate degree. Another 14.3% hold an associate degree. Only 5.7% hold only a high school degree. This

TABLE 1
Respondents by Type of Government (N = 441)

Type	# of respondents	% of total respondents
City/Municipal government	171	38.9
County/regional government	94	21.3
State/provincial government	68	15.5
School system	36	8.2
Special authority/district	10	3.9
College /universities	20	4.6
Utility	4	.9
Health related	3	.7
Federal government	3	.7
Missing	14	3.2
Total	441	100

TABLE 2
Respondents by Education Levels

Education	# of respondents	% of total respondents
Bachelor's Degree	245	55.6
Graduate Degree	143	32.4
Associate Degree	63	14.3
High school	25	5.7
Other	30	6.8
Not answered	56	12.7
Total responses	441	100

indicates that the respondents as a group are reasonably well-educated. A majority of the respondents are white (83%), as shown in Table 3.

As shown in Table 4, respondents reported a wide range of annual procurement amount. The most concentrated amount (21% of the respondents) is that below \$5 million.

TABLE 3
Respondents by Race (2004 data)

Race	# of respondents	% of respondents
White	364	82.53
Black	33	7.5
Hispanic	11	2.5
Other	13	3.0
Missing	20	4.5
Total	256	100.0

TABLE 4
Respondents by Annual Procurement Spent (2004 Data)

Purchase Dollars	# of respondents	% of total respondents
Below 5,000,000	44	21.0
5,000,001 - 10,000,000	24	11.4
10,000,001 -20,000,000	19	9.0
20,000,001 -30,000,000	12	5.7
30,000,001 -40,000,000	15	7.1
40,000,001 -50,000,000	12	5.7
50,000,001 -75,000,000	19	9.0
75,000,001 -100,000,000	18	8.6
100,000,001 -200,000,000	23	11.0
Above 200,000,001	24	11.4
Total respondents	210	100

Table 5 shows the population of the entities the respondents represent. While the spread is relatively even, the highest percentage (19%) is from communities with populations of 100,000 - 250,000.

Data in Table 6 shows that the most common preference programs are local business (32%) and minority business (31%), followed by women-owned business (24%), recycled products (24%) and drug-free workplace (23%). Only 19% of the respondents

TABLE 5
Respondents by Population

Population size	# of respondents	% of total respondents
Below 25,000	30	11.7
25001 -50,000	33	12.9
50,001 - 75,000	23	9.0
75,001 -100,000	17	6.6
100,001 - 250,000	49	19.1
250,001 - 500,000	30	11.7
500,000 1,000,000	30	11.7
1,000,000 -2,000,000	10	3.9
Above 2,000,000	34	13.3
Total respondents	256	100

TABLE 6
Types of Preferences Programs (N = 441)

Types of Preferences Programs	# of respondents	% of total respondents
Local Business	141	31.9
Minority Business	137	31.0
Woman-owned business	107	24.2
Drug Free Workplace	102	23.2
Recycled Products (buying Green)	106	24.0
Small Business	89	19.3
Prison Industry	66	15.0
Buying American	58	13.1
Workshop for the disabled/ sheltered workshop	44	9.9
Insurance for Employees	21	4.8
Living Wage	19	4.3
Veteran-owned Business (including disabled)	21	4.9
Domestic Partner	6	1.4
Domestic Violence	1	0.2
Other	58	13.1
No preferences Programs	120	27.2

reported that they give preference to small business, and 13% respondents to buying American. The authors also compare the two sets of data. There is a small increase of using recycled products in the 2006 data. Among the 2004 respondents, 23% stated that they purchased recycled products. The ratio was 26% for 2006 respondents. Only one respondent in the 2006 survey indicated the use of “domestic violence” as a criterion to give preference. All other preferences are used to a very limited extent.

Seventy respondents or 27.3% of the total respondents stated that they do not have any preference programs at all. This seems to be a significant amount, but we do not have historical data to compare. While NASPO’s previous surveys document the number of states that used each preference program as reviewed in the literature review, their subjects were states, and the current one includes all types of jurisdictions. In NASPO’s survey, the highest number of states that implement any of the programs is 28 out of the 50. The fact that 27% of respondents that do not have any preference program is one of the explanations for the high rate of missing data for many of the questions that were asked later.

The respondents also reported many other forms of preference in their procurement process. Examples are construction apprenticeship programs, construction local workforce, child care, ethics/political contributions, prevailing wages, contracts funded through Community Development Block Grants, in-state preference and many more. (See Appendix 1 for all the descriptions).

The authors also calculated the total number of preference programs that a community uses in its government procurement process. The result is reported in Table 7. Twenty percent of the communities use only one of the preference programs; thirteen percent implement two programs. Eight percent have three forms of the preference programs. Only one percent has 10 of the preference programs, and no one implements more than ten.

Why have some communities implemented more forms of preference programs than others? The authors ran cross-tabulations between the number of preference programs that a community uses and population size, annual procurement purchasing amount, and types of governments. The results show that the correlation between number of preference programs and the population size, and the

correlation between number of preference programs and the type of government are statistically significant (see Tables 8 and 9). All other variables (e.g., the annual procurement spending and the respondents' education levels) are not statistically related to the number of preference forms of procurement programs.

TABLE 7
Combined Number of Preference Programs Used by a Community

Number of Preferences Used	# of Respondents	% of Total Respondents
0	160	36%
1	89	20
2	56	13
3	34	8
4	29	7
5	24	5
6	18	4
7	14	3
8	7	2
9	5	1
10	5	1

As shown in Table 8, larger jurisdictions usually have more types of preference programs than small one. This makes sense because many preference programs started in big cities. Government agencies in big cities have more pressure and more resources to implement preference programs. A good example is the living wage. It is most implemented in big cities (Barry 2008). Table 9 indicates that city/municipals, county/regional governments, and states tend to have more preference programs than other types of governments.

Then how do government agencies determine eligibility for their preference programs when they implement such programs? The responses to this question are reported in Table 10. Twenty-five percent of the respondents stated that they do not have any special system in place. This group may be the one that reported they did not have any preference programs. Among those who do have preference programs, eligibility for preference is most likely to be determined by using state-prescribed definitions (36% of the

respondents), followed by self-certification by contractors/officers. Federally-prescribed definitions are least likely to be used.

TABLE 8
Cross-Tabulation of Population Size and the Number of Preference Programs Used by a Jurisdiction (2004 Data)

# of Programs	Population (in Thousands)									Total
	< 25	25-50	50-75	75-100	100-250	250-500	500-1000	1000-2000	>2000	
0	11	15	7	10	13	11	10	2	3	82
1	9	13	8	3	11	6	5	3	4	62
2	4	4	4	1	9	4	4	0	2	32
3	3	0	1	0	4	1	3	1	7	20
4	2	1	1	0	4	4	5	1	2	20
5	0	0	1	1	3	2	0	1	5	13
6	1	0	0	2	2	0	2	0	3	10
7	0	0	0	0	2	1	1	1	5	10
8	0	0	0	0	1	0	0	0	2	3
9	0	0	0	0	0	1	0	0	1	2
10	0	0	1	0	0	0	0	1	0	2

Notes: Pearson Chi-Square: 112.735; sig: .009.

Cramer's V: .235; sig.: .009.

Kendall's tau-c: .239; sig.: .000.

TABLE 9
Cross-Tabulation of Type of Government and the Number of Preference Programs Used by a Jurisdiction (2004 Data)

# of Programs	Types of Government									Total
	City	College	County/ regional	Federal	Health Related	Public School	Special District	State	Utility	
0	40	1	22	0	0	8	4	4	3	82
1	37	0	10	0	1	4	1	7	2	62
2	14	0	10	0	1	3	1	3	0	32
3	7	1	7	0	0	0	1	4	0	20

TABLE 9 (Continued)

# of Programs	Types of Government									
	City	College	County/ regional	Federal	Health Related	Public School	Special District	State	Utility	Total
4	8	1	3	1	0	3	1	3	0	20
5	2	3	3	0	0	1	0	4	0	13
6	4	2	0	0	0	0	0	4	0	10
7	3	1	2	0	0	0	1	3	0	10
8	0	1	1	0	0	0	0	1	0	3
9	0	0	0	0	0	0	1	1	0	2
10	1	0	1	0	0	0	0	0	0	2
Total	116	10	59	1	2	19	10	34	5	256

Notes: Pearson Chi-Square: 108.224; Sig.: .020.

Cremer's V: .230; Sig.: .020.

TABLE 10
Determination of Eligibility for Preferences (N=256)

	# of Respondents	% of Total Respondents
Self-certification by contractors/ officers	98	22.2
Use of state-prescribed definitions	160	36.3
Use of federally-prescribed definitions	49	11.1
No special system in place	113	25.6
Other (many stated no preference used)	79	17.9

Where do government agencies get authority for their procurement preference program: state law, local law, ordinance, or administrative order of government, or written policy of the procurement office? Findings are reported in Table 11. As shown, 43% of the respondents recognize state law as the legal basis for their preference programs; and a slightly small number of respondents (32.6%) recognize local laws. This is consistent with the data in Table 10 where state-prescribed definition is the most likely definition for preference. Twenty-two percent stated that they rely on written policies. Government agencies can derive authorities for

TABLE 11
Legal Basis for the Preference (N = 441)

	# of Respondents	% of Total respondents
State law	188	42.7
Local law	144	32.6
Written policy of the procurement office	96	21.8
State law, local law and written policies	77	17.5
Any two of the three basis	72	16.0

preference program from multiple sources. In this survey, 17 respondents reported that they use state laws, local laws, and written policies for their legal basis. Sixteen percent report that they derive their authority from two of the sources, and six percent from three of the sources.

A dozen respondents also provide other legal basis for their preference program: federal grants' requirements and guidelines, policies of school boards, state procurement manuals, federal statutes, disparity studies, administrative regulations, and Federal rehabilitation mandates such as the American Disability Act, etc. The respondents also provide their websites that state the legal basis for their preference programs. These websites are reported in Appendix 2.

The questionnaires also inquired about the mechanism for giving preferences from several aspects. First, asked was the manner in which preference is given to each of the preference programs. Is it by goals for contract awards, vendor action mandated by contract, mandatory source, price preference, set-aside subs action mandated by contract, subcontracting goals, soliciting offers from designated groups, tie-bid breakers, technical RFP score? Unfortunately, there are extremely few responses to these questions, so those results cannot be discussed here.

Second was inquiry about any thresholds to which preference/social programs apply, both in dollar amount and as percentage used. Again, the overall responding rate is low. There are more respondents providing the thresholds for small business, women-owned business, minority-owned business, drug free workplace, recycled products than for other social programs. It is the same with thresholds in terms of percentage. Based on the limited

respondents, the maximum dollar limits set by jurisdictions vary a great deal, ranging from low (e.g., 0) to no limit. The number of respondents and the thresholds they provided are all listed in Appendix 3 and Appendix 4.

A third question sought to find out whether each preference/social program is applied to goods, services, professional services, and construction service. The responding rate is low but is worth reporting. The results are reported in Table 12.

TABLE 12
Preference Programs Applied to Goods, Services, Professional Services and Construction Service (N = 441)

Preference Programs	Goods		Services		Professional Services		Construction Services	
	N	%	N	%	N	%	N	%
Buy American	70	15.9	25	5.7	16	3.6	29	6.6
Drug Free Workplace	73	16.6	77	17.5	70	15.9	73	16.6
Domestic Partner	23	5.2	14	3.2	11	2.5	7	1.6
Domestic Violence	20	4.6	9	2.0	7	1.6	5	1.1
Insurance for Employees	25	5.7	31	7.0	27	6.1	25	5.7
Local Business	133	30.2	111	25.2	85	19.3	83	18.8
Living wage	22	5.0	29	6.6	19	4.3	23	5.2
Minority business	105	23.8	106	24.0	91	20.6	98	22.2
Prison industry	72	16.3	42	9.5	20	4.5	16	3.6
Recycled products	103	23.4	28	6.3	15	3.4	21	4.8
Small business	80	16.1	72	16.3	62	14.1	61	13.8
Veteran-owned business	45	10.2	32	7.3	25	5.7	24	5.4
Women-owned	98	22.2	92	20.1	81	18.4	88	20.0
Workshop for disabled/sheltered workshop	61	13.8	46	10.4	23	5.2	18	4.1

Based on the findings in Table 12, two observations were made. First, for a relatively high number of jurisdictions, preference to local businesses and minority-owned business are applied to all types of purchases, compared with other programs. The next “popular” social program seems to be the drug free program. About 15% -17% of the respondents stated that they give preference to a drug-free workplace in the four types of purchasing. It is interesting to see more respondents identify preference in a drug-free workplace program than in small business when they purchase services, professional services, and construction services. Our second observation is that, generally speaking, preference is given more often to goods (especially for buying American, prison products, and recycled product programs) than for any of the other three types of purchasing. A striking exception is insurance for employees. The data reported in Table 12 are the average of the two sets of data of 2004 and 2006. The authors also calculated each set separately and notice that over the two years between 2004 and 2006 the use of the preferential programs increased in the following areas: buy American, domestic partner, insurance for employees, living wage, prison industry, veteran-owned business, domestic violence prevention, women-owned business, and workshop for disabled or handicapped, sheltered workshop. For instance, only nine percent of the respondents reported requiring Buy American in 2004. The ratio goes up to almost 22% in the 2006 data. Less than one percent of respondents reported using the preferential program to prevent domestic violence. In 2006, the ratio goes up to 9%.

Then what impacts do these programs have? In this section, we will report how respondents perceive the preferential programs and their impacts. The 2004 data and 2006 data are presented separately. As shown in Table 13, more respondents believe that preference programs violated a major principle of free market – open competition. About 78% percent of survey respondents for 2004 and 55% of survey respondents for 2006 either strongly agree or agree with this view. A slight majority of survey respondents (53%) for 2004 believe that governments have to pay higher prices due to the preferential programs. Of survey respondents for 2006, more of them (38%) agree or strongly agree with the statement than those who disagree or strongly disagree (23%). However a different picture is

TABLE 13
Impact of Government Procurement Preference Programs as
Perceived by Government Procurement Officers
(In Percentages)

Types of Impact	Strongly agree		Agree		No Opinion		Disagree		Strongly Disagree	
	Data		Data		Data		Data		Data	
	2004	2006	2004	2006	2004	2006	2004	2006	2004	2006
Violate open completion Principle	42.2	29.1	35.9	26.0	10.5	11.0	9.4	13.2	2.0	3.5
Lead to higher prices	25.0	14.1	28.9	24.2	24.2	19.8	18.0	12.8	3.9	10.6
Lead to lower quality	3.5	2.6	7.8	6.6	41.0	29.1	37.9	26.9	9.8	16.3
Make my job more difficult	22.3	11.9	27.7	24.7	26.6	23.3	20.3	12.8	3.1	8.4
Always meet preferences requirements	5.9	4.0	21.9	19.8	48.8	38.3	16.4	12.3	7.08	5.7
GSA's action hurts the protected	3.5	2.6	10.9	8.8	48.0	42.3	29.7	21.6	7.8	4.8

Notes: ¹ The complete statements are as follows: A) preference practices violate a major principle of free market: open competition; B) My government has to pay a higher price to meet preference requirements; C) My government's purchased goods and services are of lower quality due to the preference requirement. D). Required preferences make my job more difficult; E) My government has always met preference requirements; F) The General Services Administration has opened up the Federal Supply Schedule to the state, local, regional or trial governments. This will hurt minority, women-owned, veteran-owned, or local businesses in my community.

² The row does not add to 100% due to the missing data.

shown regarding the impact on the quality of goods and services purchased. Only 11% of respondents for 2004 and 10% of respondents for 2006 agree that preferential procurements reduce the quality. A large percentage did not offer any opinion, and 48% of survey respondents for 2004 and 43% of 2006 survey respondents for 2006 strongly disagree or disagree with the statement. To the

question whether the preferential procurement programs have made procurement personnel's job more difficult, approximately 50% of survey respondents for 2004 and 36% of respondents for 2006 either strongly agree or agree, 23% of respondents for 2004 and 21% of respondents for 2006 strongly disagree or disagree. A high percentage of the respondents did not have any opinions regarding the last two questions. Among those who offered their opinion, more of them feel that their governments always met the preferences requirements. More of them strongly disagree or disagree that the U.S. General Service Administration's decision to open up the Federal Supply Schedule to the state, local, regional or tribal government will not hurt the protected.

In summary, the most interesting and important finding regarding the impact of a preference program is that many people believe that preference programs violate the free-competition principles and these programs cause government to pay a higher price and make the purchaser's job difficult. However, not many people reported that these programs reduce the quality of the purchases. The data in Table 13 also reveals a shift of the views of procurement personnel. Specifically, the belief, though still dominant, that public procurement violates the free market open competition principle is losing its supporters as shown by the increasing percentage of respondents for 2006 who disagree with the statement and by the decreasing percentage that strongly agree with the statement. The percentage of those who believe procurement programs lead to higher prices also declines. An even smaller percentage of respondents for 2006 agree or strongly agree with the statement that preferential procurements lower the quality of the purchase. This shift may indicate the preferential procurement programs are more acceptable. The environment is more favorable to the procurement programs. This is consistent to the literature that there has been a sustainable effort to reinstate the use of procurement as a policy tool. Due to the substantial number of respondents not offering their opinions and not answering the questions, the finding reported here needs to be interpreted cautiously.

CONCLUSION AND TOPICS FOR FURTHER RESEARCH

As stated in the literature review section, the public procurement preference program is a very important and controversial issue, but

research on many of its facets is limited. Disparity studies have been the most common area of research in this field, primarily because the Supreme Court decisions define the parameters in which minority business programs may operate. Many other important issues in this field remain to be studied empirically, and the practical impact of preferences is worthy of much more analysis. All too often, a program is put in place, perhaps largely for political reasons, but a longitudinal review of its results is never conducted.

The current study contributes to our understanding about procurement preference programs in several ways. It documents what social programs are in use, and to what extent, how government agencies define eligibility and the authority to implement these programs. In addition, it also reveals to a certain extent whether the preference programs are applied to goods, services, professional service, or construction. Though the responding rate is low, the findings reported in this paper do add to our insight about the current practice of procurement preference programs.

There is a major limitation of this study: finding practitioners' perceptions about procurement preference programs. Additional research is warranted to assess preference programs' policies, procedures, benefits, and costs, including the following:

- Gains, if there are any, for the preferential businesses is worth the cost incurred by taxpayers, including the losses due to restricted competition.
- Success rates and benefits achieved by specific preference programs,
- Costs to administer preference programs,
- Measurement issues (which measures or indicators have validity), and
- Alternative approaches (such as whether alternatives to set-asides or price preferences like education/training, mentor-protégé programs, or use of Small Business Administration programs and tools are more effective, etc.).

We conclude by stating that the ability to navigate through preference programs should be a core competency of all public procurement professionals. As stated in the literature review,

procurement has always been and will continue to be used as an important policy tool for a wide range of socioeconomic and political purposes. At the federal level, the National Contract Management Association's Common Body of Knowledge (CMBOK) includes skill in socioeconomic programs as one of 71 critical abilities for the federal acquisition workforce. The same level of skill is required for state and local public procurement, as this survey has demonstrated.

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NOTES

1. The City of Richmond provided a preference in subcontracting for firms using 30% minority subcontracting under a city construction contract.
2. This case dealt with a subcontract award under a local transportation authority's prime contract. Because federal funds were used, the authority was mandated for 10% subcontracting with minority businesses.

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APPENDIX 1 Comments Regarding other Forms of Preferences

- State law provides prequalification of bidders on public works projects of \$100,000 or more.
- Construction apprenticeship programs/construction pensions paid/construction local workforce
- Child Care; Child Support; Affirmative Action/EEO; Contractor Responsibility; Service Contract Worker Retention; Sweat Shop Manufacturing; Ethics/Political Contributions; Good Faith Outreach Effort
- There is another tie-breaker preference: In-state manufacturer, per Rule 60A-1.011, Florida Administrative Code. Women business/minority business preferences in law and rule were found unconstitutional in Federal District Court in February 2004 pursuant to a suit by the Associated General Contractors.
- In-state preference
- Reciprocal against other states with preferences
- Prevailing Wage
- Software Development; Printing; Hawaii Products; Qualified Rehab; Recycled Products; Tax Preference; Reciprocal; others as prescribe by Grants.
- Preference for resident bidder in tie bid situations only.
- Contracts funded through Community Development Block Grant require women business/minority business participation
- Disadvantaged Business Enterprise (DBE) - US DOT requirement
- 10% in-state preference for printing and engraving.

APPENDIX 1 (Continued)

- Products mined, produced or grown in Virginia/Preferences used to break ties Faith-based organizations
 - Tie-bid preference
 - With Crack Sealing, Lane Marking and Liquid Calcium Chloride contracts must be bid with prevailing wages for the particular county the work is being performed in.
 - Disadvantage Business Enterprises, Construction over \$2,000, Prevailing Wage rates, Federal Transit Administration provisions, Illinois Dept. of Transportation requirements
 - As of Sept. 1, 2004, all businesses above our bid threshold, State is \$17,500, must have a NJ business registration certificate. Many out of state vendors do not want to bother to obtain. The ones who do a lot of business with government will.
 - The law in California changed to disallow preferences based on race or gender. To keep the good work we had accomplished in tact, rather than eliminate the program we changed our program to focus on Small Business Enterprises (SBE's) which primarily include minority businesses and women businesses, and local businesses. We had to add a few companies to the program that didn't previously meet the criteria, but it allowed us to continue the development of companies already included.
 - Non-Profit Agency
 - US Steel, pending implementation of an in-state business preference.
 - In-state milk producers
- Residency hiring requirement

APPENDIX 2**Web Sites for Legal Basis Reported by Various Respondents**

www.tennessee.gov/businessopp
www.ordlink.com/codes/columbus
http://www.lacity.org/lacity102.htm
www.tucsonprocurement.com
http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Index&Title_Request=XIX#TitleXIX
www.dsd.state.md.us/comar

APPENDIX 2 (Continued)

http://www.flsenate.gov/Statutes/index
http://ncinfo.iog.unc.edu/programs/purchase/index.html
http://gsd.mt.gov
http://www.gcd.state.ri.us
http://sgcity.org
http://www.spo.hawaii.gov
2004->Ch0287->Section%20087#0287.087">http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch0287/SEC087.HTM&Title=->2004->Ch0287->Section%20087#0287.087
http://search.cga.state.ct.us
http://www1.leg.wa.gov/legislature
www.dgs.state.va.us
http://www.ccwa1.com
www.idaho.gov
www.municode.com
http://leg1.state.va.us http://alexandriava.gov link to charter and code
www.fortlauderdale.gov/
www.myflorida.com
http://www.in.gov/legislative/ic/code/title5/ar22/
http://www.mo.gov
http://www3.state.id.us/cgi-bin/newidst?sctid=600010003.K
http://www.seminolecountyfl.gov/purchasing
http://www.nj.gov/treasury/revenue/busregcert.htm
http://docs.sandiego.gov/councilpolicies/cpd_100-10.pdf
http://www.eva.state.va.us
www.dfa.state.ms.us
http://www.juneau.lib.ak.us/law/code/Purchasing.pdf
http://www.ai.org/legislative/ic/code/
http://www.harfordcountymd.gov/countycode.html
http://cityoforlando.net
http://landru.leg.state.or.us/ors/279.html
http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-4300
www.co.contra-costa.ca.us

APPENDIX 2 (Continued)

www.herndon-va.gov
www.sos.mo.gov
www.polk-county.net
http://www.legis.state.ga.us/cgi-bin/gl_codes_detail.pl?code=50-5-60
http://ordlink.com/codes/lacounty/index.htm
http://legis.state.sd.us/statutes/index.aspx?FuseAction=DisplayStatute&Type=Statute&Statute=5-19-1.2
www.state.ny.us
www.conwaygreene.com/NewMexico.htm

APPENDIX 3
Amounts of Threshold Reported Various Respondents

Panel A. Thresholds reported by Respondents		
Programs	Thresholds (in \$)	Number of Responses
Buying American	0	3
	500	1
	10,000	1
	17,000	1
	25,000	1
	100,000	2
	No limit	2
	Not Answered	239
Drug -Free Workplace	0	3
	1000	2
	10,000 and over	3
	15,000	1
	25,000	7
	30,000	2
	All contracts	3
	Federal requirement	1
	Tie bid	1
	No limit	2
	Not Answered	228

APPENDIX 3 (Continued)

Domestic Partners	10,000	1
	Over 100,000	1
	Any amount	1
	No limit	2
	Not Answered	252
Insurance for Employees	0	1
	Over 10,000	1
	Any amount	2
	Not Answered	252
Local Businesses	0	3
	1,000 - 2,500	5
	3500	2
	5000	2
	9000	1
	10000	5
	25,000	5
	100,000	2
	250,000	1
	10,000-500,000	1
	5% price preference at all dollar amount	1
	No limit	7
	Tie bid any amount	1
	Tie bid; state is reciprocal	1
Not Answered	212	
Living Wage	0	1
	20,000	1
	25,000	3
	Over 100,000 in special industries	1
	500,000	1
	Not Answered	248
Minority Business	0	1
	3,000	1
	5,000	1
	10,000	3
	25,000	6
	50,000	3
	62613	1
	100,000	4

APPENDIX 3 (Continued)

	250,000	1
	300,000	1
	1,000,000	1
	Any amount	6
	Not Answered	218
Prison Industries	0	3
	8,000	1
	25,000	1
	No limit	7
	Not Answered	241
Buying American	0	2
	1	2
	100	1
	1000	2
	10,000	1
	25,000	2
	30,000	1
	42,000	1
	5%	2
	10%	1
	50%	1
	100,000	1
	No limit	6
	Not answered	231
Small Business	0	1
	3000	1
	25,000	3
	50,000	2
	55,000	1
	100,000	3
	250000	1
	500,905	1
	1,000,000	1
	No limit	2
	Not answered	237
Veteran-Owned Business	0	2
	3000	1
	50000	1
	100000	1
	No limit	1
	Not answered	250

APPENDIX 3(Continued)

Women-Owned Business	0	2
	3000	1
	10,000	2
	25,000	5
	50,000	2
	100,000	3
	250,000	1
	1000000	1
	No limit	6
	Not answered	229
Workshop for disabled or handicapped/sheltered workshop	0	2
	1000	1
	3000	1
	No limit	5
	Not answered	246
Panel B. Preferences Used as a Percent		
Programs	References as a Percentage	% of Respondents
Buying American	5	1
	10	3
	15	1
	20-30	1
Drug Free Workplace	100	4
Domestic Partner	1	1
Domestic Violence	No answer at all	
Insurance for Employees	1.25	1
Local Business	1-5	40
	6-10	5
	11-15	2
	25	1
	30	1
	35	1
	100	1
Living Wage	100	1
Minority Business	1-5	7
	6-10	6
	11-15	3

APPENDIX 2 (Continued)

	25	3
	30	1
	40	1
	100	1
Prison Industries	10	1
	100	1
Recycled Products (Buying Green)	5	5
	6-10	15
	10	14
	11-15	3
Small Business	5	2
	10	4
	11-15	2
	25	2
	35	1
	40	1
Veteran-Owned Business (Including Disabled)	3	2
	5-10	2
Woman-Owned Business	1-5	5
	10	2
	11- 15	2
	17	1
	25	1
	40	1
	100	1
Workshop for the disabled/sheltered workshop	2	1
	15	1