

ALIGNING PUBLIC SPENDING WITH THE PUBLIC GOOD: **RECOMMENDATIONS FOR RESPONSIBLE PROCUREMENT**

Washington should apply the following requirements to all public procurement to ensure that every dollar of state money goes as far as possible to achieve a fair and just economy, healthy communities, and a livable climate.

Requirements for state contractors across sectors:

- **All state contractors should be responsible employers, which includes:**
 - **Paying a living wage or meeting industry prevailing wage, whichever is greater.** Public spending should create high-road employment with fair wages. This not only provides economic security for workers but also maximizes the return on public money. Higher wages amplify the economic boost of public spending for local economies, as those wages are turned into groceries, housing, transportation, and other consumer goods.
 - **Complying with all federal and state employment, health and safety, and environmental laws.** The state should not do business with serial violators.
 - **Respecting worker voice.** Declining worker power over the past 50 years is a major driver of growing income inequality and job quality erosion. To combat economic injustice, public dollars should support businesses that respect worker voice and worker power.
 - **Properly classifying workers and limiting the use of temporary work to short-term time frames.** As the gig economy grows, so does the issue of employee misclassification. Some businesses use misclassification as a tool to reduce costs and skirt labor protections, like overtime rules. The state can ensure that public money is supporting high-road employment by procuring from entities that properly classify workers and minimize the use of temporary workers.
 - **Developing and implementing effective and measurable programs that increase hiring, retention, and the creation of career paths for women, Black, Indigenous, and people of color, workers from local and low-income communities, formerly incarcerated workers, LGBTQ+ workers, people with disabilities, and veterans by working with community-based organizations.** Intentional, equity-centered hiring and career creation is important to break down systemic barriers to employment.
- **Businesses that receive public funds should commit to creating high-road employment opportunities in Washington.** Washington residents' hard-earned tax dollars should benefit Washington residents, not be used to move jobs out of state.

- **All recipients of public funds should be able to demonstrate that their practices align with ambitious environmental quality standards, including goals related to greenhouse gas emissions reductions, clean air, clean water, and the recovery of endangered and threatened species.** Washington aims to be a leader on the environment and climate change. Public money should not support entities that undermine the pursuit of that goal.

Requirements for public works and other publicly-funded construction:

- **As underscored by Washington’s Environmental Justice Task Force, the state must use cumulative impact analyses, including the Washington Environmental Health Disparity Map, to target investments.** This ensures the prioritization of overburdened communities and vulnerable populations, which is necessary to address environmental injustice and guarantee a healthy environment for all Washington residents.¹
- **All public works should incentivize community workforce agreements with priority local hire provisions, targeted hire provisions, and access to jobs and apprenticeships for disadvantaged workers.** We need to ensure that state investments are advancing equity and growing resilience by creating high-road employment opportunities and career pathways in local and overburdened communities and for our most vulnerable residents.
- **All public works should incentivize community benefit agreements with community-based organizations representative of overburdened communities and the most vulnerable residents.** We need to ensure that state investments are advancing equity and growing resilience by creating community economic development and community wealth.
- **All public works projects and other publicly-funded construction should require apprenticeship and pre-apprenticeship utilization with preferred entry standards.** The use of registered apprenticeship programs creates on the job training opportunities and supports the state’s long-term interest in workforce development.
- **The state should maximize job creation and community and environmental benefits by actively identifying and pursuing co-benefits.** Adding project elements to an investment when it is most cost effective maximizes the return on that investment. For example, replacing a culvert is a low-cost point in time to improve vegetation on shorelines and add green stormwater infiltration to the stream crossing and potentially reduce flooding risk.

Requirements for public procurement, including contracting of services and the purchasing of goods:

¹ Governor’s Interagency Council on Health Disparities. *Environmental Justice Task Force*. <https://healthequity.wa.gov/TheCouncilsWork/EnvironmentalJusticeTaskForceInformation>

- **In the procurement of all goods and services, including construction services, the state should require supplier and bidder diversity.** Proactively and intentionally focusing procurement with contractors and suppliers owned by women, Black, Indigenous, and people of color, formerly incarcerated individuals, LGBTQ+ individuals, people with disabilities, and veterans, worker and community owned enterprises, and other historically underutilized businesses is vital to ensure that the state is fully leveraging its purchasing power to advance equity.
- **Goods purchased with public money should be produced under responsible working conditions, as defined above.** Just as state dollars should not support contractors with unfair labor practices, the state should not procure goods from manufacturers and suppliers—whether in state or out of state—that undermine worker rights and safety.
- **Public money should not be used to procure goods and services with forced or exploited labor in their supply chains.** Washington can ensure that its state spending does not contribute to human trafficking, forced labor, or exploitative conditions by holding all contractors and suppliers accountable for their supply chains, including subcontractors.
- **All services that can and are best provided by the state should be provided by the state and other government workers.** Minimizing outsourcing, except in cases where services are best provided by non-government entities, such as community service organizations performing community outreach, can reduce costs and increase accountability.
- **Goods purchased with public money, including agricultural goods, should utilize a local or domestic supply chain whenever possible.** The economic impact of state procurement is dramatically increased when goods purchased are manufactured locally or domestically.
- **Public procurement should prioritize goods with low-carbon supply chains.** State procurement can play a critical role in supporting the manufacturing of clean and advanced technologies by creating demand and robust markets for those technologies with public projects. By requiring the use of products with lower carbon footprints, we can leverage investment dollars into gains for our climate, regardless of the type of investment.
- **Public procurement should prioritize goods with the least possible impact on the environment, such as organic agricultural goods, to reduce pollution and improve community health both in and out of state.** Focusing procurement on goods with the least possible impact leverages state money into gains for our environment and protects the health and safety of workers.
- **The state should employ full life-cycle costing in making purchasing decisions.** Life-cycle costing takes into account the true cost of a good or service over the course of its lifetime. Making decisions based on lowest upfront cost may miss long-term benefits

and impacts, such as socioeconomic benefits and environmental impacts.

- **Public dollars should never fund research and development, technology, equipment, or machinery that automates work processes or deskills positions unless the recipient can clearly demonstrate that such investments will advance the interests of workers and surrounding communities through an independent comprehensive economic impact assessment.** This assessment must apply an equity lens and, at a minimum, consider and disclose direct job impacts, including impacts on job quantity and job *quality*, indirect job impacts, and community impacts such as the impact on the tax base. In addition, the state must involve potentially affected workers and communities in its decision-making in such procurement decisions. Put simply, public money should always advance the public good and never harm Washington workers and communities. Washington residents also have a right to know how public dollars are shaping the future of work.