

Strategic, Inclusive Procurement

How Transportation Investment
Can Create Widespread Economic
Prosperity

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Scale of Public Procurement

- \$2 Trillion per year (1/3 Federal, 2/3 State & Local)
- 12% of U.S. GDP
- Supports 20M jobs



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How Transportation Funding is Spent:

30% for Public Agencies to Plan, Operate, Maintain, etc.

70% for Procurement of Needed Equipment, Construction, Services..



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Key Inclusive Public Procurement Tools

- Buy America
- U.S. Employment Plan (Manufacturing Careers Policies)
- Construction Careers Policies
- Goals for Historically Underutilized Businesses (HUBS)



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Buy America and Industry Challenges

While industry experts credit Buy America with preserving domestic transit manufacturing, significant weaknesses still allow much of this work to happen abroad.

Buy America also does not capture actual job numbers or standards. High-value work primarily takes place outside of the U.S. while American manufacturing jobs are mostly lower-skilled, lower paying final assembly.

Result: U.S. rail lines tripled while manufacturing jobs declined by 35% over the last 30 years.



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Building upon Buy America: The U.S. Employment Plan



The U.S. Employment Plan (USEP) was designed to build upon the foundation of Buy America, enabling transit agencies to maximize the public dollars spent on new equipment to improve economic development and equity outcomes.



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US DOT approved US Employment Plan program:

- BRINGING EQUITY TO TRANSIT MANUFACTURING JOBS THROUGH PROCUREMENT INCENTIVES



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US Employment Plan:

- HOW IT WORKS

Proposal

Request companies to detail the number, quality & access to U.S. jobs

Evaluation

Provide a scoring method to evaluate competing proposals

Implementation

Award manufacturers for commitments to jobs, training, and pipelines for disadvantaged workers

PUTTING IT TOGETHER



CTA'S LARGEST RAILCAR PURCHASE WILL BRING JOBS TO THE SOUTH SIDE

<http://abc7chicago.com/news/cta-breaks-ground-on-new-rail-car-factory/1804298/>

Next Steps: Implementation Agreement & Pipeline

Chicago Transit Authority's \$1.3 billion railcar contract brought about:

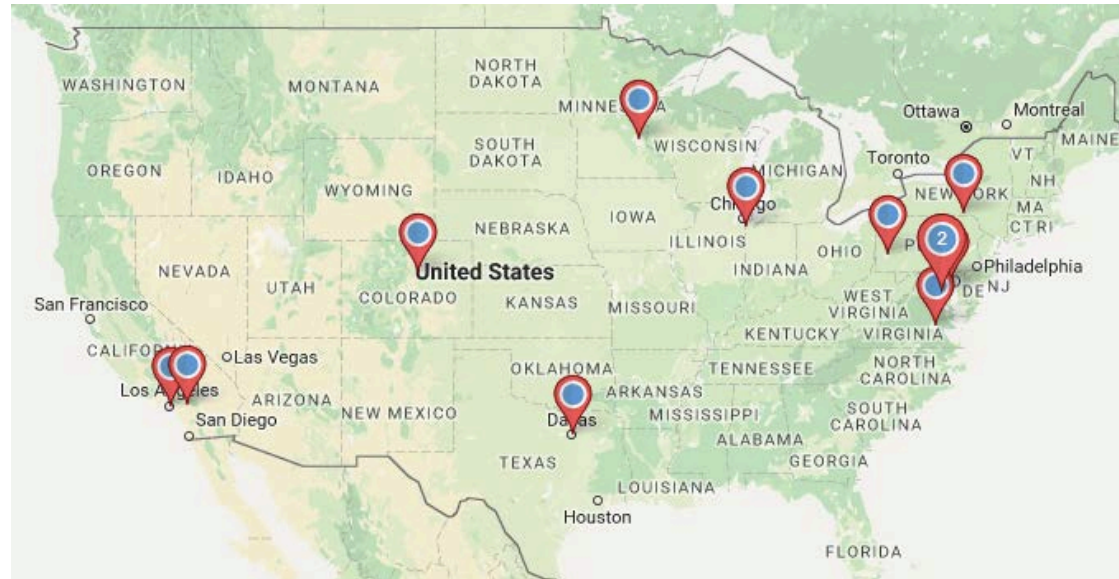
- Contract with CTA that requires factory in Southeast & good jobs.
- Construction Agreement for a \$100 million facility rehabilitation.
- Community benefits agreement with China Railway & access to suppliers.
- \$4million America's Promise Grant



Construction Careers Policies:

Link construction contracts to hiring from areas of concentrated poverty, opening up apprenticeship programs & generating an economic stimulus for communities most in need

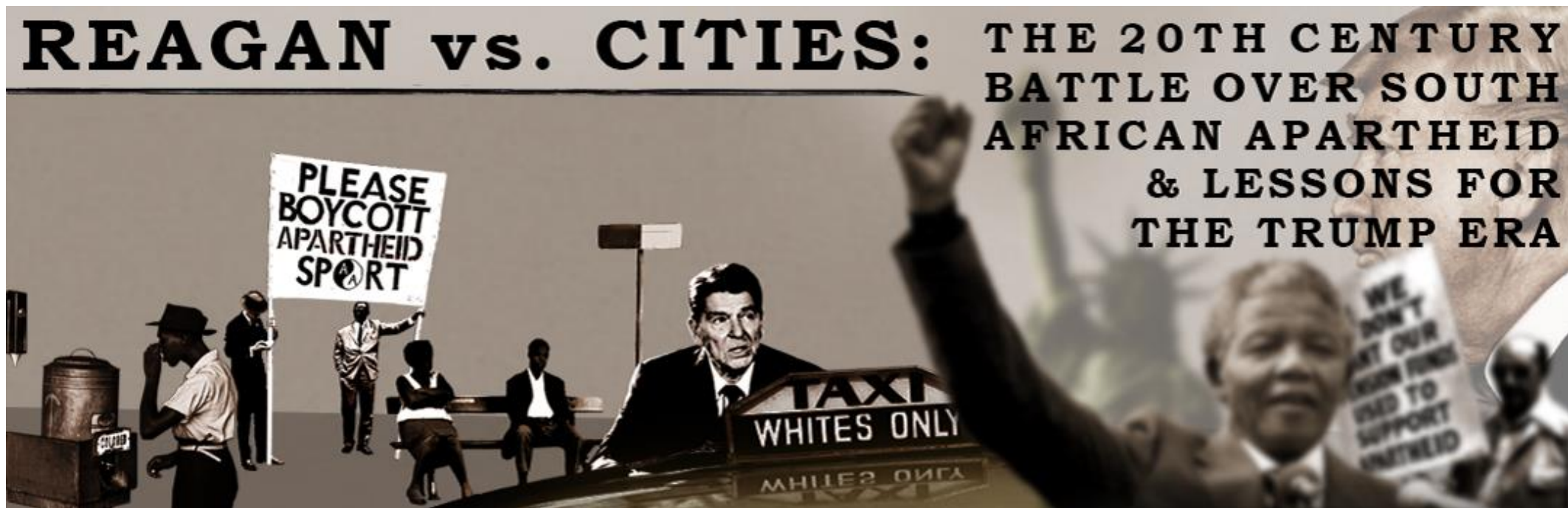
Can be “local hire”



Construction Local Labor Hiring Programs approved by U.S. DOT, 2017

Challenges with Federal Law

- IMPORTANT TO UNDERSTAND THE HISTORY OF PROCUREMENT RULES AND HOW TO WORK AROUND:



www.jobstomoveamerica.org



Key Take-Aways

- Strategic, Inclusive Procurement is possible
- Federal Rules Can be Complied With
- U.S. Employment Plan Produces Results
- Construction Careers Policies Produce Result
- Use the Approved Forms!
- Incorporate Commitments into Contract



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