

**MAKING IT HAPPEN: PUBLIC PROCUREMENT'S ROLE IN
INTEGRATING ECONOMIC DEVELOPMENT AND
SUSTAINABILITY STRATEGIES FOR LOCAL
GOVERNMENTS IN THE U.S.A**

Eric Prier, Clifford P. McCue and Michael E. Bevis*

ABSTRACT. The use of public procurement to achieve economic and social outcomes on the international level has received some attention in the scholarly literature, but detailed consideration of the tradeoffs associated with such diverse policies is often difficult to find, particularly in reference to local economic development and social equity strategies. The term 'sustainable procurement' has come to include concepts as diverse as recognizing the role of aboriginal cultures to the re-use of building materials in urban re-development efforts. Recent attempts to expand market availability of eco-friendly products, along with the trend toward reduce, reuse and recycle activities, have met with some success in diminishing the negative impact of government spend on the environment. However, local initiatives that are focused on sustaining cultural diversity through small and historically underutilized businesses (SHUB) development strategies appear to have had limited effects on the economic vitality of communities and on SHUB survival rates. We propose that government contracting can be used to integrate effective market development and traditional sustainability strategies. The case includes an examination of the relationship between economic development and social equity policies, and recent attempts to institutionalize 'sustainable procurement' in these areas by local governments in the United States.

INTRODUCTION

Recent research presented at international conferences¹ reveal an interest in examining the use of public procurement as a policy tool,

** Eric Prier, Ph.D., is an Associate Professor, Department of Political Science, Florida Atlantic University. Clifford P. McCue, Ph.D., is Associate Professor, and Director, Public Procurement Research Center, School of Public Administration, Florida Atlantic University. Michael E. Bevis, CPPO, C.P.M., PMP, is Chief Procurement Officer, City of Naperville, Illionos, USA.*

Copyright © 2008 by Eric Prier, Clifford P. McCue and Michael E. Bevis

especially in the area of pursuing community-based economic development strategies that attempt to address a variety of social problems (see for example Prier, McCue, and Dise 2007; Swinburn 2006). Unsurprisingly, most of this cutting-edge scholarship tends to focus on the economic consequences of social policies, specifically in terms of efficiency, effectiveness, and competition. Noticeably absent from these efforts, however, has been an extended discussion concerning the relationship between community development, economic development, and sustainable public procurement, and the role that public procurement practitioners play in determining the success or failure of government policies. This article sketches the contours of what is an exciting way to better conceptualize government contracting and other purchasing activities in the future.

Environmental and social issues have traditionally been treated by government as concerns subordinated to the economic bottom-line. It is no secret that "social responsibility" and "environmental stewardship" are typically discussed within the framework of short-term added costs and ambiguous long-term benefit. More narrowly, when sustainable procurement and economic development (SPED) policies are addressed, they tend to be thought of in terms of being driven primarily by guilt or regulation rather than a substantive debate focusing on redefining the "bottom-line" in government transactions. Consider that when vendors have responded to or talked about their contributions to SPED policies, they either have felt compelled to hire small and historically underutilized businesses (SHUBs) because of mandates, and if there was an element of social responsibility, it was typically as the means to advertise how the companies have "given back" to society through philanthropy or the undertaking of good deeds directed at the natural environment or the local community through corporate social responsibility initiatives.

The current article proposes that unlike most of their predecessors, practitioners will begin to use social sustainability criteria within a community-based economic development strategy that will promote local SHUBs as an instrument of social development and environmental improvement. Debates over whether or not social and economic development policies are able to address historical inequalities among community groups and concurrently promote sustainable procurement

practices are being discussed from various theoretical perspectives. In the midst of these discussions, little attention has been focused on existing programs, such as specifically targeted procurement policies and procurement contracts that are plausible solutions to and avenues for community revitalization and economic empowerment for sustainable procurement. Given this conceptual context, the object of this article is to examine to what extent procurement policies can be effective strategies in facilitating community economic development. Utilizing one case study that focuses on structural barriers to access information for SHUBs, as well as to identify possible metrics to gauge success or failure of sustainable procurement policies, this article makes the claim that continued participation by these targeted groups is a necessary precursor to a robust community economic development strategy that is based in large part on the “triple bottom line” – the simultaneous delivery of economic, environmental, and social Policies that facilitate an integrated community development strategy.

Procurement as a Tool for Community Development – Conceptualizing the Triple Bottom Line

The lack of interest among scholars in social equity procurement as it relates to sustainability, is not surprising given that the procurement community deems it unimportant. For example, a recent July 2006 National Institute of Government Purchasing poll (n=162) consisting of self-selected respondents shows that in the experience of practitioners, the top three values that underlie public procurement are integrity, accountability, and fairness, in that order. Moreover, choosing from a list of twelve options, the top goals of public procurement were found to be best value, along with open and effective competition (both tied at 77%), and process integrity which rounded out the top three position with 53% support. Interestingly, effectiveness (22%) and efficiency (34%) were not in the top three, while public policy goals like vendor diversity (7%), sustainability (2%), and economic development (3%) trailed badly in importance. While it is these latter three goals which are the focus of this article, the authors do not address the moral issues that naturally arise when discussing such a controversial topic. Instead, this paper discusses the intersection of sustainable procurement and community economic development, and the role that procurement might play in the future.

According to MacManus (1993), the effectiveness of government procurement policies on the long-term financial viability of a community

(however defined) will be enhanced if traditionally disadvantaged groups are incorporated into government spending patterns. Within this framework, community economic development is taken to mean the promotion of business activity within area neighborhoods, especially in those with large numbers SHUBs (Teitz, 1989; Imbroscio, 1997; Pitegoff, 1993). Underlying a community economic development strategy is the notion of democratic influence over the local political economy and the equitable allocation of costs and benefits commonly disbursed through business investments and job creation. This community-centered development approach requires building capacity within the community that accounts for Civil Society, including local institutional infrastructure, SHUBs, not-for-profit organizations (including non-governmental organizations)organizations, and collaborative networks linking such institutions together. It also applies normative principles of democracy and pluralism to the economic sphere as well as embodying strategic ideas for local "empowerment."

This notion is underscored by McDougall (1993) who argues that the wealth of an increasing number of U.S. citizens and the survivability of a number of local communities has come to depend not on their ownership of private property and tax base expansion, but rather on their relationship to government and their receipt of 'government largess,' such as social security, public insurance and compensation, licenses, franchises, benefits, subsidies, use of public resources, and government contracts." (p. 34) What McDougall describes here is the view that sustainable community development depends not only on the level of economic development initiatives, but also on the level of political power a community wields through access to information via cross-collaboration and networking structures. This broad theoretical framework bodes well with understanding the internal dynamics of community economic development and the integration of social policies aimed at addressing various social concerns. Under these conditions procurement plays a vital role to insure integration across policy arenas.

In this vein, community economic development attempts to integrate the social goals of a local government and not just economic growth. Further, determination of the success of a specific policy, either social or economic, cannot be limited to purely economic measures. Thus, a community-centered approach to economic development directly supports labor and community interest, and does not assume that the mere presence of increased business profits alone will necessarily benefit

the social goals of the locale. Community economic development, therefore must attempt to "change the way a local economy relates to external markets and political forces by mobilizing local resources and reinforcing local control to better capture broader opportunities, rather than passively relying on beneficence of government or private enterprise. (Pitegoff, 1993, p. 1899.)

Central to the community economic development perspective is the notion of procurement linkage. Cross collaboration with, and/or among local interest groups and governmental administrators provides economies of scale in doing business, whether locally and/or regionally as well as needed political clout (Bates & Williams, 1995). Situated within this theoretical framework, the goal of economic development policies and social equity policies is not to make definitive statements about the level procurement activity (in terms of government spend), but to heighten our awareness of the nature and role that these policies can play in facilitating community-based procurement policies.

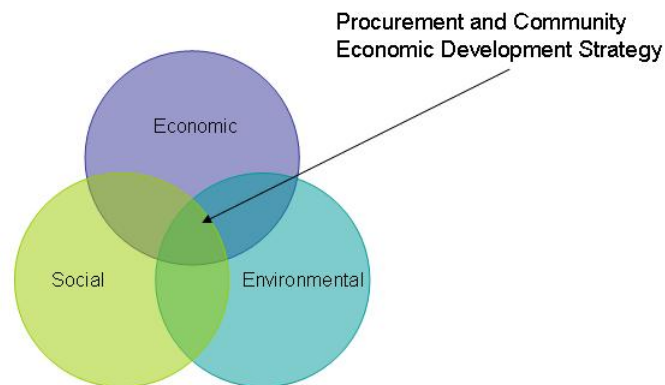
According to Savas (2002), in the United States, social policy is delivered by governments through three main mechanisms: (1) directly, using their own personnel; (2) indirectly, through grants or contracts awarded to private nonprofit or for-profit organizations to supply services to government-designated, eligible individuals; and (3) indirectly, through vouchers that are given to eligible recipients, who can use them to purchase services from approved service suppliers. Given the dimensions identified by Savas, it is interesting to note that traditional economic development strategies follow the same delivery mechanisms, yet often result in completely different policy outcomes.

If you look at community economic development in terms of sustainable procurement, it is readily apparent that purchasing and investment processes that takes into account the economic, environmental, and social impacts of government spending should drive to the same policy outcomes. Thus there is a triple baseline of accountability, which refers to the metrics that operationalize success across economic, environmental and social costs and impacts. Sustainable procurement (SP) requires life-cycle costing best practices that include the ability to regenerate resources or at the very least, conserve resources to slow down the rate of depletion. Notice that for the purposes here, depletion can occur, but the focus is on favoring the maintenance of remaining resources to leave for use by succeeding

generations. When combined with a strategy for sustainable community economic development, this not only means that practitioners must behave in a socially *responsible* manner, but also in a socially *responsive* manner.

The public procurement process already serves as an ideal platform to change the government's value proposition, moving from economic efficiency to community effectiveness. But a rational SPED policy will make this especially so in terms of sustainability and economic development, even though practitioners have been utilized rather sparingly in the past as strategic actors within community economic development. Nonetheless, as figure 1 shows, the nature of the triple baseline will require the expansion of core competencies while at the same time requiring practitioners to continually innovate.

Figure 1.
Procurement's Relationship to Community
Economic Development



From this vantage, SP becomes an economic development tool in the arsenal of public procurement practitioners and other stakeholders. By thinking strategically and in utilizing this arrow in their quiver, practitioners will need to balance traditional cost-benefit economics with the realization that they have an entire basket of programmatic strategic tools that can lead to rationalized sustainable community economic development. Moreover, because practitioners occupy a unique organizational place to help make local economic development successful and sustainable, they might well become the recognized bridge between successful economic and social policy.

SHUB POLICY IN THE U.S.

The very nature of public procurement makes it a de facto public policy tool for social and economic development and there is evidence that some suppliers are benefiting a lot from preference policies (Prier, McCue, and Dise 2007). Indeed, public procurement practitioners have the power to choose economic winners by preferring particular vendors and contractors over others, and the power to determine losers through their control over certification requirements and the writing of specifications for contracts. When coupling these discretionary powers with the ability to offer procurement preferences to specific types of firms, the central role of the practitioner is obvious and it is only beneficial to the community when procurement practitioners understand the policy implication of their actions..

These procurement preferences can take the form of discriminatory treatment that favors small business in general, women-owned businesses, and minority-owned businesses, among others. Since the mid-1960's federal, state and local governments throughout the United States have created affirmative action programs targeting economic development that is intended to benefit businesses owned by women, racial minorities, disabled persons, and veterans, as well as small and local business or other groups identified as being in a disadvantaged economic position. Perhaps the most overt way government demonstrates its commitment to assist disadvantaged persons is in the way it spends public funds through its contracting activities.

Preference programs for these small and historically underutilized businesses have typically existed where officials perceive that inequities

in public contracting have created a disadvantage to a specific sector of the population. Policies have then been created to provide economic opportunity that permits the disadvantaged group the benefit of a sheltered environment in which to gain vendor stability and expand their capabilities in order to become competitive with non-disadvantaged businesses. Sometimes these practices have been instituted to create equity or to promote laboratories of experimentation. At other times, these programs have been quasi-reparations for past prejudices and systematic exclusion. In certain instances, municipal policies have intended to promote a vendor pool that more closely mirrors the demographics of the community it serves.

To warrant action by the government by way of preferences or set-asides, there must be common agreement that an identified group is confronting a disadvantage of some sort resulting from an action or inaction by the governmental body. Historically, federal, state and local municipalities promoted SHUB development by setting minimum goals and quotas on contract awards based on a number of factors. However, these factors and resulting goals and quotas often varied greatly from one municipality to another.

A presumption posited herein is that the potential for various development strategies that can either directly or indirectly influence SHUBs, the focus here is on how the practitioner can integrate helping SHUBs through an explicit SPED policy. Paradoxically, a stated SPED policy may in fact mitigate the hurdles set up by recent U.S. Supreme Court decisions like the case *City of Richmond v. J. A. Croson Co.* (1989). This specific Court decision has widely affected the development of all subsequent procurement preference policies at the local level.

In this case the City of Richmond, Virginia had previously adopted a plan that required non-minority city contractors to subcontract at least 30 percent of the dollar amount of their contracts to one or more minority businesses. This set-aside was immediately challenged by Croson on the basis that the city had not demonstrated the actual existence of discrimination, and the majority opinion of the Court agreed with the plaintiff. The effect of this ruling immediately challenged the legal standing of every procurement preference policy then in effect, and it mandated disparity studies showing discrimination by a municipality prior to it adopting quotas and preferences policies. However the effects of this ruling may be mitigated if localities were to adopt

integrated SPED policies, because on its face, there could be at least two bases upon which a preference can be gained by a SHUB. The first is anchored in the need for sustainable procurement and the second reason is found in the ever-present need for broader *sustainable* community economic development. There is some suggestive evidence that locales would be open to such a move, because one development resulting soon after *Croson* was the manipulation of policy language by many municipalities. Consider that in their research of the effects of *Croson* on state preference laws, Augustus J. Jones, Jr. and Clyde Brown (Barker, 1992) found that affirmative action terms such as “set-aside” and “quota” were replaced with “initiatives,” “goals,” “goal-driven programs,” “minimum participation standards,” “outreach programs,” and “race or gender-neutral requirements.” They found that in some states, policies remained substantially in tact except for the change in terminology. Moreover, it appears that these terms are acceptable because since *Croson*, other programs and preference laws are still commonly utilized and not subjected to similar legal challenge. It isn’t uncommon to find definitive preferences in state and local procurement regulations for local and small business, recycled products and other non-racial categories such as specific industries unique to a state or municipality. Some states include distinct percentage preferences in public solicitations for businesses within that state, or restrict subordinate public entities and state agencies from cooperatively bridging contracts outside that state.

In an unpublished research paper, Prier, McCue, and Dise (2007) used survey responses from six public procurement practitioners in local governments in Montgomery County, Maryland, USA to examine their public institutional capabilities to deliver desired economic development outcomes. The study found that not only are state requirements and the respondent’s own procurement agencies motivated to address economic development through procurement preferences, but that there is a very deep level of commitment to using procurement as a policy tool, especially in using procurement procedures to expand economic development opportunities for many of the SHUB targets.

However, a fragmented SPED policy that merely adds a mandate for sustainable procurement to a stand-alone policy on economic development is unlikely to make either factor sustainable, because there is no mechanism for integration and alignment of policy goals and targets across the two components. This is easy to see when one considers that programs that certify businesses as meriting preferential SHUB

consideration typically place a limitation on the time that a business may claim disadvantaged status. This is done to encourage the business to become sustainably competitive, and to make sure that SHUB businesses do not become mere fronts to take advantage of the preference policies. However, dissimilar approaches to certifying businesses as qualifying for SHUB opportunities vary widely and as a result, there is little uniformity of policy at the local level and across jurisdictions. So what does this mean for drafting a useful SPED policy?

First, there are sunken costs of (re)certification that will need to be addressed and second, sunset provisions for certification can have a detrimental effect on those SHUBs which may be at the brink of improving to a critical mass of long-term sustainability but that might lose SHUB certification because it is too successful too soon. In this hypothetical case, the lack of recertification may result in the SHUB being unable to sustain the success over the next time period.

Roadblocks to SPED Policies

One hurdle in adopting a successful SPED policy concerns the likely challenges in tracking sustainability successes. Leaving aside the problems of metrics, there are difficulties in determining who is worthy of falling under the economic development initiatives associated with SHUB encouragement. Consider that many federal programs and state certification programs require a submission and verification process that can be quite detailed. For example, the U.S. Small Business Administration's 8(a) minority business certification process can take 18 months or longer to complete, as can many state certification processes. Moreover, given limited resources at the local level, the difficulty of verifying vendor self-certification is a constant reminder of why so many neighboring municipalities require their own certification mechanisms. This non-standardized and fragmented certification environment opens the procurement process up to challenges by competing vendors, and these concerns have been around a long time. Timothy Bates and Darrell Williams (1995) have demonstrated that although some SHUBs profit from taking part in these programs while others do not, it seems clear that many vendors act in ways indicating sensitivity to penalties for breaching minority business certification and procurement program regulations. Perhaps because of these difficulties, some scholars have recently attempted to find out if procurement preference rules are economically beneficial (Heffner 1996).

One roadblock to the development of SHUB and SPED programs is their perceived conflict with government procurement's historic purpose of preventing corruption in the letting of government contracts (Callendar and Matthews 2000). In part because procurement practitioners have lacked college degrees (Johnson, Leendars and McCue 2003), and in part because institutions of higher education lacked degree programs in public procurement (Matthews 2005), anti-corruption emphases in procurement have tended to evolve within professional training programs outside of traditional academic disciplines. Moreover, because these training programs focus on the maintenance of transparency and fairness, generations of public procurement practitioners are zealously devoted to insuring openness, fairness and equal treatment for all involved in the process, and although this situation has many positive attributes, there may be hidden tradeoffs, especially in the area of SPED policy.

This paper does not dispute the benefits of transparency and fairness in the government procurement process, because these two elements tend to erect barriers to corruption and help avoid scandals. Nonetheless, although these ingredients are necessary to basic public procurement policies, their existence are not sufficient to provide a rationalized basis for the procurement practitioner to fulfill the profession's potential role in supporting social responsiveness and environmental impact policies. The point here is that there is an evolving link between procurement training and how practitioners perceive their ability to use technology to execute the processes that insure transparency. And although it is true that the use and implementation of appropriate systems and automation that increase transparency will lead to practitioners begin seen as more than "glorified clerks" (Grimm 1999), there is currently little widespread effort of practitioners to focus on developing the capacity to become strategically aligned with the goals and purposes of the communities they serve.

Given this, one can see the juxtaposition of the self proclaimed role of the procurement practitioner as champion of transparency while simultaneously feeling the pressure of perceived conflicts with the goals of SHUB and SPED programs. As indicated by the NIGP poll, *supra.*, members of the profession rightly continue to see their primary role as that of legitimating the process through the administration of programs that emphasize concepts of integrity, fairness and accountability. These concepts are tied to an abhorrence for corruption and a commitment to

traditional economic notions of the fairness of free markets and open competition. This is often in contrast to the basic operating principles of most SHUB programs which are centered on discriminatory practices in favor of the targeted community, sometimes by purposefully limiting competition.

This apparent conflict is often expressed in the very organizational structure of the procurement operation. Consider that in the City of Chicago, procurement operations have historically had two Deputy Purchasing Agents, one with responsibility for the administration of procurement operations in compliance with applicable state law (focused on issues of integrity, accountability and fairness), and the other charged with administration of SHUB programs which seek to administer programs. This structural approach nicely illustrates the potential conflict on the ground and articulates a need to either 1) establish an adversarial process whereby a procurement champion for each position insures that, through conflict and compromise, the best general solutions are achieved, or 2) impose a weighted matrix of decision criteria that is used to select the appropriate spend that is consistent with obtaining the triple bottom line (TBL). This latter may be a response when there is a lack of understanding or a limited commitment to support SHUB programs.

In contrast, this paper proposed that many SPED programs should focus on that aspect of sustainability that includes environmental policies that do not merely favor a group of market actors on the basis of human characteristics (sex or race) but rather that create a basis for revised product choices that can end up promoting sustainable economic development. However, it should be noted that there is likely to be resistance because for the practitioner, the procurement of environmentally-friendly products may be viewed as simply burdening the practitioner with additional criteria in a rule- and standard-based process. Consider that while larger agencies, like the City of Chicago, may establish Departments of Environment or inter-departmental task forces focused on criteria development, they are often tasked with a multitudinal variety of operations, i.e. water or power conservation, development of alternate fuel capacity, etc., all of which fulfill a greater public goal of environmental protection while also creating the potential of pulling the practitioner in different directions. Nonetheless, such a broad-based policy has the effect of informing the process while modifying the choices made in the free market. As such, environmental procurement decisions are neither simple nor often well-specified, and

this can have numerous unintended environmental and economic consequences.

In practice the reality is that both SHUB procurement preferences and environmentally-focused SPED policies are specific articulations of aspects of the triple bottom line. Whether units of government, through their policy-makers, embrace or articulate the concept of the triple bottom line or simply seek to develop their respective communities in a given direction, the importance and potential impact of government spend allocation is obvious.

In the private sector, advanced procurement management demands that procurement operations become more integrated with customer requirements as well as other functions of the firm, all of which requires understanding numerous needs (Monczka, Trent and Handfield 2005). Similarly, public sector success in public procurement management requires both bureaucratic enforcement as well as sensitivity to the strategic goals of the organization and how pursuit of these goals impact society.

One remaining challenge is that practitioners are “often in the dark” about the purposes and function of their purchases (New, Green and Morton 2002). In applying this to the public sector, these authors would most likely suggest that to establish continued momentum in environmental procurement, governments must align green procurement practices with broader government strategies and wider goals of environmental improvement and economic development. In turn, public sector procurement managers should apply their creative capacity to accomplishing the organization’s goals, and they must understand both the end use of the goods and services they procure, as well as the role that the end use of the procured commodity will play in the attainment of the strategic goals of environmental sustainability and economic development.

A review of practices in communities throughout the United States indicate that the success of their procurement procedures in achieving a positive impact on their individual triple bottom lines is based as much on issues of community need, organizational development and change management techniques, as it is on specific program design criteria. Indeed, the communities of Naperville, Illinois and Colorado Springs, Colorado are cases in point. In both locales, successful “green procurement” programs exist in contexts that both cities characterize as

“learning organizations” -- with clear articulations of public goals and their desired impacts. Whether as a specifically-expressed management commitment, unified mission, strategic alignment, or resource allocation, a concerted effort to educate procurement staff and demonstrate senior management commitment to the articulated goals characterize both of their successful operations in accounting for the triple bottom line. Interestingly, both cities ranked 1 and 2 in Money Magazine’s best places to live in the United States (population over 100,000). Given this situation, further research is probably needed to identify and refine the characteristics and leadership practices of these successful organizations and their application of procurement practices to the achievement of community sustainability and economic goals.

DISCUSSION

Previous research (Prier, McCue, and Dise 2007) suggests that local SHUB businesses tend to focus their interests exclusively within the immediate community. Economic development programs focus on building business within that jurisdiction, often with an undercurrent of competition between neighboring entities. Moreover, there probably should be a standardization of terms that helps make benchmarking policies between otherwise similar neighboring entities easy. Currently it is extremely difficult if not nearly impossible because dissimilar policies within a small region will range from differing goals and use of varying programs that include outreach and attainment measures for contracts awarded by government departments, to broadly-stated levels of effort, to outright rejection of targets and the intentional omission of specific policies.

Perusal of the experience of municipalities within the United States appear to vary so widely that even independent city governments within one county of the same state will vary broadly in their SHUB policies. This is a common occurrence in the U.S. which is used to having over 85,000 different governments that have overlapping jurisdictions and different policies. That is the nature of federalism, and it will have to be overcome. Nevertheless, the authors believe that successful public procurement policies will move toward coordinating SPED within a comprehensive economic development strategy because in an age of globalization, there is little doubt that more cooperation will be needed in

the future as the world becomes more intertwined both economically and socially.

However one danger that is difficult to overcome is the potential that despite successful coordination, many SHUB businesses will maintain an expectation that government will continue to play a major role in their success, even when they are not sustainable either economically or environmentally. This may mean that economic development on a regional scale may require some local governments taking the lead by providing competitive procurement opportunities while other jurisdictions may serve as laboratories for innovation in one form or another.

An additional problem with any SPED procurement policy involves the direction of market forces that may disrupt natural business flows and partner alliances that would be different without government involvement. For example, government SHUB requirements may impel business relationships that run contrary to specific economic goals of either SHUBs or their business partners, and the extent of this displacement is difficult if not impossible to gauge.

Nonetheless, the discussion here projects that public procurement practitioners will increasingly need to assume a more strategic stance by pointing out to elected officials and other stakeholders the need for a focused and appropriate SPED policy, and the unique role that procurement occupies in that formulation and execution. Experience dictates that if procurement does not take the lead in this policy direction, it will not end up at the strategic table but rather will follow whatever policy dictates are formulated by officials who typically do not have all of the facts. As a result, this suggests that procurement practitioners may have to become more actively engaged in policy development and implementation to ensure that policies intended to create sustainable outcomes and assist targeted business sectors utilize best practices that promote the triple baseline.

CONCLUSION

This paper contests that the arguments that dominate the conversation over traditional failures in government procurement that contribute to persistent poverty (e.g. corruption, fraud, indifference, and misaligned incentives for government agencies), will winnow and begin

to focus on the multiple roles that practitioners can play in economic development and reducing poverty in the community while more squarely focusing on the impact of spend decisions.

The transition from traditional to sustainable procurement is likely to be a long process, because it represents a dramatic shift in how sourcing will be done in the future. However, this evolution is likely to accelerate in the face of growing interdependent global challenges that include material aspects like energy and natural resource constraints and toxic materials and products, as well as post-materialist concerns and social consequences such as quality of life issues that include equal opportunities and community impacts.

If the arguments presented in this paper are correct, social responsiveness and environmental impact will be integrated proactively into core procurement policies, processes, and strategies. This also means that for a growing number of vendors and suppliers, competitive advantage will become rooted in such new capabilities as pollution mitigation and prevention, eco-friendliness, social development, and stakeholder dialogue. As a result, practitioners and vendors alike (especially SHUBs) will become familiar with the nature of the "triple bottom line" – the simultaneous delivery of economic, environmental, and social performance.

NOTES

1. Examples include the International Research Study of Public Procurement-Phase III and the International Public Procurement Conference.

REFERENCES

- Bates, T. and D. Williams. 1995. "Manipulating Minority Procurement Programs: Preferential Procurement Programs and Minority-owned Businesses." *Journal of Urban Affairs*. Vol. 17 No. 1:1-17.
- Bates, Timothy, and Darrell Williams. 1995. "Preferential Procurement Programs and Minority-Owned Businesses." *Journal of Urban Affairs* 17 (1): 1-17.

- Blair, John P., Rudy H. Fichtenbaum, and James A. Swaney. 1984. "The Markets for Jobs." *Urban Affairs Quarterly* 20 (1): 286-91.
- Callendar, Guy and Matthews, Darrin L. 2000 "Government Purchasing: An Evolving Profession?" *Journal of Budgeting , Accounting and Financial Management*, 12 (2): 272-290.
- Grimm, Rick, (1999). "A Shifting Paradigm." *The Public Purchaser*, 2 (2): 28.
- Hefner, Frank L. 1996. "State Procurement Preferences: Evaluating Their Economic Benefit." *Spectrum: The Journal of State Government* 69 (1): 33-38.
- Imbroscio, D. L. 1997. *Reconstructing City Politics: Alternative Economic Development and Urban Regimes*. Newbury Park: Sage.
- Johnson, F., Leenders, M., & McCue, C. 2001. "A Comparison of Purchasing's Organizational Roles and Responsibilities in the Public and Private Sector." *Journal of Public Procurement*, 3 (1): 57-74.
- Jones, Augustus J. Jr., and Clyde Brown. 1992. In "State Responses to *Richmond v. Croson*: A survey of Equal Employment Opportunity Officers." Edited by Lucius J. Barker. "Ethnic Politics and Civil Liberties." *The National Political Science Review* , Vol. 3, 40-61. Edison, NJ.: Transaction Publishers.
- MacManus, S. 1993. "Minority Contractors' Views of Government Purchasing and Procurement Practices." *Economic Development Quarterly*, Vol. 7 No. 1, February: 30-49.
- Matthews, Darrin L. "Strategic Procurement in the Public Sector: A Mask for Financial and Administrative Policy." *Journal of Public Procurement*, 5 (3): 388-399.
- McDougall, H. A. 1993. *Black Baltimore: A New Theory of Community*. Philadelphia, PA: Temple University Press.
- Monczka, Robert, Trent, Robert and Handfield, Robert, (2005): *Purchasing and Supply Chain Management, 3rd Edition*, Thomson South-Western: 24.
- New, Steve, Green, Ken and morton, Barbara (2002): "An Analysis of Private Versus Public Sector Responses to the Environmental

Challenges of the Supply Chain," *Journal of Public Procurement*, 2 (1): 93-105.

Pitegoff, P. 1993. "Child Care Enterprise, Community Development and Work." *Georgetown Law Journal*. Vol. 81 No. 5, June: 1897-1943.

Prier, Eric, Clifford P. McCue, and David E. Dise. 2007. "A Flaw in the Economy: Capability Enhancement for Women, Minority and Small Business Economic Development Strategies Utilized by Local Governments Procurement Agencies in Montgomery County, Maryland, USA." A paper prepared for delivery at the International Research Study of Public Procurement-Phase III, September 15-18, 2007, Paris, France.

Ruth, Jennifer A 1995. "Controlled Second Tier." *Diversity Suppliers & Business Magazine* 3 (3): 14-15.

Savas, E.S. "Competition and Choice in New York City Social Services." *Public Administration Review* 62.1 (Jan-Feb 2002): 82(10). Academic OneFile. Gale. Florida Atlantic University. 5 Feb. 2008.

Swinburn, Gwen. 2006. "Local Economic Development: LED Quick Reference." Urban Development Unit, The World Bank, Washington, DC. www.worldbank.org/urban/led

Teitz, M. B. 1989. "Neighborhood Economics: Local Communities and Regional Markets." *Economic Development Quarterly*. Vol. 3 No. 2, May: 111-122.

US Supreme Court 488 U.S. 489, No. 87-998.