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OFFICE OF THE SECRETARY

**BILL:** House Bill 1212 - Procurement - Socially and Economically Disadvantaged Workers' Protection Preference

**COMMITTEE:** House Health and Government Operations

**DATE:** March 3, 2021

**POSITION:** Letter of Information

Upon review of House Bill 1212 - Procurement - Socially and Economically Disadvantaged Workers' Protection Preference, the Department of General Services (DGS) provides these comments for your consideration.

- House Bill 1212 provides a price percentage preference of 10% to a bidder who certifies that at least 50% of the workers on the contract are socially and economically disadvantaged. House Bill 1212 would **significantly increase expenditures** under contracts that award to vendors that meet the requirements of this bill and would necessarily increase the budget to allow agencies to afford to pay for these contractors.
- The extent to which House Bill 1212 would affect small businesses is unknown. However, if implemented, House Bill 1212 would **negatively impact small businesses** that were not also certified under the categories of disadvantaged groups/individuals as defined in statute in this legislation.
- There is no requirement under House Bill 1212 that the **State confirms that 50% or more of the contractor's workforce is socially and economically disadvantaged**, nor does it restrict a company from changing the composition of their workforce during the term of a contract.

For additional information, contact Ellen Robertson at 410-260-2908.

