

## **Changes to the preference system in procurement of goods and services**

In Salt Lake County we want equal opportunities for all our residents and businesses. We recognize that some groups have been historically disadvantaged, so over the past few years the Salt Lake County Council has made a commitment to increase opportunities for women and minority-owned businesses. One such program is The Salt Lake Small Business CO-OP and Initiative that was funded with ARPA dollars. The goal of this program is to connect these businesses with resources that increase resiliency, revenue, and jobs.

Within this program alone:

- 1561 Business Served
- 44% Woman-owned
- 70% Minority-owned
- 58% have a primary language other than English

Though we support equal opportunities, that does not always equate to equal outcomes. The proposed change in policy 3.24 relates to Salt Lake County procurement. It would remove preference for “small, women-owned, or minority-owned emerging business in the procurement of good and services.” Preference for hiring veterans or providing employee healthcare would remain.

According to our current policy, a Caucasian male business owner who wants to do business with Salt Lake County could lose the bid to a woman or minority-owned business, even if they are the lowest bidder and the most qualified.

As we spend taxpayer dollars we should be looking at who can perform the best service for the lowest price. Gender and race should never be the deciding factor as we choose who to do business with. Institutionalizing the discriminatory practice of treating some business owners better or worse than others purely by virtue of their skin color or gender is fundamentally wrong. It is unfair to all business owners who work hard and want nothing more than a fair shot at success.

### **How does the current preference system work?**

If we do a “low bid” process (where the lowest prices wins) then the preference system is only invoked if there are two or more bidders within 4% of each other. Then, any bidder *with* this preference designation gets an extra 4% to help on their price. So, if one bidder is \$100 and another is \$104, and the bidder at \$104 has the preference, they would get the bid. If we do an RFP (where price isn’t the only factor, and we score bids out of 100 on many variables), then a bidder who has the women/minority owned preference would get one point added to their score. Jason Yocom doesn’t believe this has ever been used to change the outcome of a contract so it’s not really helping these groups anyway.