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June 15, 2015

The Honorable Richard Gordon  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0058

**RE: Assembly Bill 1200 – Lobbying: Procurement Contracts– SUPPORT**

Dear Assemblymember Gordon,

On behalf of California Common Cause and our members, I am writing with a letter of support for Assembly Bill 1200, which will provide greater transparency in regards to who influences state government procurement spending.

A substantial portion of state spending is devoted to procurement contracts. According to the records in the California State Contracts Register, the State spent \$12 billion on procurement contracts in 2014. Many lobbying firms advertise their services assisting clients with winning state procurement contracts; however, despite the magnitude of spending on state contracts, under current law such activities do not need to be disclosed. AB 1200 addresses this loophole by expanding the definition of lobbying to include individuals attempting to influence the government procurement process. Several states and the federal government have adopted similar disclosure laws. Expanding the definition of lobbying will impose additional reporting and ethical requirements on those seeking to influence state contracting; additional transparency will also promote greater accountability in government expenditures of public funds.

For this reason, Common Cause fully supports the bill as written; however, we recommend two clarifying amendments that would further the purposes of the bill.

First, the term “article of procurement” is a potentially ambiguity and should be defined. For example Dictionary.com (which is based on the Random House Dictionary) lists one definition of “procurement” as “the act of obtaining equipment, materials, or supplies,” whereas the clear intent of the bill is to extend to all matter of contracts, including those for services. (Other dictionaries take a more expansive view of “procurement” to include services.) We recommend that the bill be amended to include the following definition, taken from New York State Finance Law §139-k(1)(b):

- “Article of procurement” shall mean a commodity, service, technology, public work, construction, revenue contract, the purchase, sale or lease of real property or an acquisition or granting of other interest in real property, that is the subject of a governmental procurement.

Second, the “bona fide salesperson” exemption, if expansively interpreted, could undermine the major thrust of the bill, and may be unnecessary given the activity-oriented exemptions in §§82002(d)(2)(A) and (B). We recommend either eliminating this exemption or allowing the FPPC to define this exemption in regulation after receiving comment from the community to be regulated.

AB 1200 will bring needed sunlight to the state contracting process; we look forward to working with your office on this important reform.

Please contact me at [nheidorn@commoncause.org](mailto:nheidorn@commoncause.org) or (916) 520-4070 if you have any questions.

Sincerely,



Nicolas Heidorn  
Policy and Legislative Counsel