

# FEDERAL & CALIFORNIA STATE OVERLAP: VENDORS AND COMPANIES THAT ARE ALREADY IN COMPLIANCE WITH FEDERAL PROCUREMENT REGULATIONS AND ALSO DO BUSINESS IN CALIFORNIA

## CALIFORNIA CAN IMPLEMENT ANTI-TRAFFICKING PROCUREMENT POLICIES BY ADOPTING ENACTED FEDERAL REGULATIONS

From 2022-23, the State of California spent \$18.98 billion on purchasing and contracts.<sup>1</sup> California's vast purchasing power has notably increased overtime.<sup>2</sup>

Despite these increasing purchases, California has not updated its existing statutory framework since 2007 to prevent human trafficking in California government contracts. While the state outlaws forced labor and human trafficking in its supply chains, it provides no guidance to companies on how these entities can and must prevent trafficking in their supply chains. By updating California's procurement policies to be consistent with measures that are already required Federally, the state can take important steps towards ensuring workers globally are not being exploited or abused at a minimal cost. In doing so, California will also ensure that businesses that act ethically do not have to compete with unscrupulous companies for public contracts. By adopting Federal standards for California's procurement processes, the state can impact trafficking globally as well as in our own backyard.

## CONTRACTORS WHICH HAVE BEEN AWARDED PUBLIC CONTRACT BY BOTH THE FEDERAL GOVERNMENT AND CALIFORNIA STATE

Below is a list of contractors<sup>3</sup> which have contracted with both the Federal government<sup>4</sup> and the State of California.<sup>5</sup> This list is an example of CA contractors who are already required to comply with federal antitrafficking policies.<sup>6</sup> The list of vendors below provide goods that globally have identified by the Department of Labor as being at <u>high risk for being produced or acquired through forced labor or child labor</u>.<sup>7</sup> This list is not exhaustive but includes businesses which provide healthcare products, uniforms/garments and electric products to both the Federal government and the State.<sup>8</sup> Since many vendors already comply with these policies through their federal contracts, CA policy will reinforce this necessary compliance and capture

<sup>6</sup> Federal Acquisition Regulation (FAR) § 22.17 (2017), *available at* https://www.federalregister.gov/documents/2015/01/29/2015-01524/federalacquisition-regulation-ending-trafficking-in-persons#:~:text=The%20final%20rule%20at%20FAR,and%20(ii)%20has%20an%20estimated <sup>7</sup> Bureau of Int'l Labor Affairs (ILAB), " 2024 List of Goods Produced by Child Labor or Forced Labor," DEPARTMENT OF LABOR (2024), *available at* https://www.dol.gov/sites/dolgov/files/ilab/child\_labor\_reports/tda2023/2024-tvpra-list-of-goods.pdf; *See also* 

https://www.responsiblesourcingtool.org/identify/

<sup>&</sup>lt;sup>1</sup> Department of General Services (DGS), Consolidated Annual Report 2022-2023, available at https://www.dgs.ca.gov/-

<sup>/</sup>media/Divisions/PD/OSDS/Certification/CAR/Final-FY2223-Consolidated-Annual-Report22924.pdf

<sup>&</sup>lt;sup>2</sup> Exceptions have occurred in years of emergency or special events. For example, in 2020-2021 CA spent \$21.23 billion due to the COVID-19 pandemic, wildfires and drought. See Department of General Services (DGS), Consolidated Annual Report 2020-21, *available at* <u>https://www.dgs.ca.gov/-</u>/media/Divisions/PD/OSDS/Certification/CAR/FY20-21AnnualReport.pdf

<sup>&</sup>lt;sup>3</sup> This list was produced by determining which Federal contracts were awarded through the publicly available database <u>USA Spending</u>. This search focused only on contracts awarded between Jan. 1, 2023, and Dec. 31, 2023, the last full calendar year. Companies and vendors were then searched using the publicly available website <u>Cal Eprocure</u> to see where there was overlap. *See <u>https://www.usaspending.gov/search</u>; <u>https://caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx</u>* 

<sup>&</sup>lt;sup>4</sup> Federal contractors awarded contracts between Jan. 1, 2023 – Dec. 31, 2023 was retrieved from the publicly available data base at https://www.usaspending.gov. Report can be provided upon request

<sup>&</sup>lt;sup>5</sup> California contractors that were awarded both State and Federal contracts were cross searched using the California publicly available website, Cal Eprocure, *available at* <u>https://caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx</u>

businesses that do not contract with the federal government to ensure consistent standards to prevent human trafficking and fair competition.

VENDOR NAME <sup>i</sup>	SERVICES/GOODS THEY PROVIDE
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Abbott Laboratories Inc.	Provides medical devices and healthcare solutions for cardiovascular health, diabetes management, diagnostic testing, nutrition, chronic pain, and more.
McKesson Corporation	Provides Vaccines, pharmaceuticals, medical and surgical supplies
Magellan Federal, Inc.	Has provided pharmaceuticals and medical services
CenturyLink Communications, LLC.	Has provided internet services that require electronic equipment.
Coast to Coast Computer Products, Inc.	Provides IT goods like replacement ink and toner cartridges.
Walgreen Co.	Has provided specialty and infusion pharmaceuticals
Science Applications Int'l Corporation	Provide IT products and services
Parsons Government Services, Inc.	Provides technology driven engineering, construction and professional services. Provides cybersecurity products as well as software and systems.
Textron Systems Corp.	Provides commodity equipment used in IT systems for surveillance, communications, vehicles and aviation
Optum Government Solutions	Provide IT products and services related to the healthcare industry



## CONCLUSION

Many companies that contract with the Federal government are also awarded public contracts in the State of California. These companies with Federal contracts must already comply with the Federal Acquistion Regulations that went into effect in 2017.<sup>9</sup> This overlap between Federal and California state contracts demonstrates that these companies would not have to change their practices to come into compliance with the proposed California anti-trafficking procurement policy. This further demonstrates how companies which already comply with federal standards to prevent trafficking have remained competitive for California contracts. Indeed, by adopting the same Federal standards in the state, California can catalyze other companies to adopt similar measures which provides a cost-effective way to prevent human trafficking and ethical business practices.

## ABOUT THE SUNITA JAIN ANTI-TRAFFICKING INITIATIVE

Sunita Jain Anti-Trafficking Policy Initiative (SJI) is an evidence-based and survivor-informed think tank based out of Loyola Law School. SJI intentionally works towards systemic change and filling the gaps in human trafficking prevention by focusing its policy advocacy on the intersectionality of 5 pillars: Government Accountability, Racial Justice, Immigrant Justice, Climate Justice and Economic Justice.

## **CONTACT INFORMATION**

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Methodology for determining which companies have Federal and CA State contracts: Report for federal vendors was retrieved from the publicly available resource available at <a href="https://www.usaspending.gov/search">https://www.usaspending.gov/search</a>. Search results were limited to specifically to "contracts" that were awarded from 01/01/2023 until 12/31/2023, the last full calendar year. This list of vendors was then compared against the California publicly available resource at <a href="https://caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx">https://caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx</a> by typing the company name into the search feature for 'supplier name.' This search was limited to current and expired contracts.