

AMENDED IN ASSEMBLY APRIL 26, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 2426**

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**Introduced by Assembly Member Galgiani**

February 24, 2012

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An act to add Article 6.5 (commencing with Section 999.30) to Chapter 6 of Division 4 of the Military and Veterans Code, relating to public contracts.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2426, as amended, Galgiani. Public contracts: veterans preference.

Existing law requires state departments that award specified types of contracts to establish a 3% participation goal for certified disabled veteran business enterprises, as defined. Existing law makes it a crime to, among other things, willfully make false statements or to fraudulently obtain certification as a disabled veteran business enterprise, as specified.

This bill would allow a bid preference, as provided, to a bidder of a public works contract if that bidder utilizes the Helmets to Hardhats program administered by the Center for Military Recruitment, Assessment, and Veterans Employment, as specified. This bill would require that the bidder and each listed subcontractor submit a certified statement, as specified, and would impose a civil penalty, as provided, for knowingly providing false information in that statement. This bill would also make various legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) There are a tremendous number of returning veterans who have served the United States honorably in the different branches of the United States military.

(b) Facilitating the reentry of these returning veterans into the private sector job market makes economic sense for these veterans, their families, and for the economy of California as a whole.

(c) Many of these returning veterans have procured skills that translate very well into the varied trades and crafts of the construction industry.

(d) The Building and Construction Trades Department, AFL-CIO, in Washington, D.C., runs a program called Helmets to Hardhats, whose sole purpose is to help returning veterans who are interested in careers in the construction industry with the transition from soldier to private sector employee.

(e) The Helmets to Hardhats program has been recognized by employers as an excellent resource for returning veterans to enter the private sector job market as construction workers.

(f) Employers and unions throughout the United States have agreed to utilize the Helmets to Hardhats program and have agreed to coordinate with the Center for Military Recruitment, Assessment, and Veterans Employment to create and maintain an integrated veterans database of veterans interested in working in the construction industry.

SEC. 2. Article 6.5 (commencing with Section 999.30) is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 6.5. Helmets to Hardhats

999.30. For purposes of this article, “Helmets to Hardhats” means the Center for Military Recruitment, Assessment, and Veterans Employment program funded out of the grant program administered by the Department of Defense and initiated in the 2003 Department of Defense Appropriations Act (Public Law 107-248).

1 999.31. (a) When a state agency awards a public works contract  
2 to the lowest bidder or lowest responsible bidder, the state agency  
3 shall provide *up to* a 5-percent bid preference to a bidder that  
4 utilizes Helmets to Hardhats, which assists veterans with entry  
5 into the construction industry by providing preliminary orientation,  
6 assessing construction aptitude for referral to apprenticeship  
7 programs and hiring halls, and offering counseling, mentoring,  
8 and employment opportunities, pursuant to Section 999.32. *Bid*  
9 *preferences shall be provided as follows:*

10 (1) *A 1-percent bid preference for bidders that have 3 percent*  
11 *and above, but less than 6 percent, of their employees working on*  
12 *the bid project being veterans who are residents of California.*

13 (2) *A 2-percent bid preference for bidders that have 6 percent*  
14 *and above, but less than 9 percent, of their employees working on*  
15 *the bid project being veterans who are residents of California.*

16 (3) *A 3-percent bid preference for bidders that have 9 percent*  
17 *and above, but less than 12 percent, of their employees working*  
18 *on the bid project being veterans who are residents of California.*

19 (4) *A 4-percent bid preference for bidders that have 12 percent*  
20 *and above, but less than 16 percent, of their employees working*  
21 *on the bid project being veterans who are residents of California.*

22 (5) *A 5-percent bid preference for bidders that have 16 percent*  
23 *and above of their employees working on the bid project being*  
24 *veterans who are residents of California.*

25 (b) A bidder shall be entitled to claim the bid preference only  
26 if the bidder and each listed subcontractor qualifies for the bid  
27 preference.

28 (c) The preference shall be calculated by reducing the bid by 5  
29 percent of the bid of the lowest responsible bidder, for purposes  
30 of comparing the bid with competing bids.

31 999.32. A bidder or subcontractor qualifies for the bid  
32 preference under this article only if, during the 12-month period  
33 immediately preceding submission of the bid, the bidder or  
34 subcontractor utilized Helmets to Hardhats.

35 999.33. A bidder or subcontractor receiving a bid preference  
36 under this article shall utilize Helmets to Hardhats for not less than  
37 one year following acceptance of the bid.

38 999.34. A bidder shall claim the bid preference under this  
39 article by submitting a separate statement certifying that the bidder  
40 qualifies for the bid preference, and by submitting a separate

1 statement from each listed subcontractor certifying that the  
2 subcontractor qualifies for the bid preference.

3 999.35. (a) A person or entity that knowingly provides false  
4 information in the certification required by this article shall be  
5 subject to a civil penalty for each violation in the minimum amount  
6 of two thousand five hundred dollars (\$2,500) and the maximum  
7 amount of twenty-five thousand dollars (\$25,000).

8 (b) An action for a civil penalty under this section may be  
9 brought by any public prosecutor in the name of the people of the  
10 State of California.

11 999.36. (a) If the winning bidder has claimed a bid preference  
12 under this article, then, at the request of the state agency, the bidder  
13 and each listed subcontractor shall supply to the state agency  
14 records sufficient to show that the bidder is entitled to the  
15 preference. The failure to supply the records within a reasonable  
16 time shall result in denial of the bid preference.

17 (b) If the winning bidder is denied the bid preference because  
18 of the failure of a listed subcontractor to establish entitlement to  
19 the bid preference, the winning bidder shall be granted 14 days to  
20 substitute a new subcontractor that is entitled to the bid preference,  
21 and the original subcontractor shall be liable to the winning bidder  
22 for any reasonable increase in the cost of a new subcontract.