

## **The Fairfax County Democratic Committee Supports Transparency in State and Locality Contracting: Bidder or Offeror Disclosure of Use of Forced Arbitration**

### **Whereas,**

“Forced arbitration” is when companies require their workforce or consumers to “agree” to secretive, pre-dispute arbitration as a condition of using a product or keeping a job—before a dispute arises.

Studies show that forced arbitration makes it harder for individuals to enforce their rights under worker and consumer protection laws. Arbitrators, unlike judges, are not required to follow legal precedent and are not bound by court rules ensuring fairness and public disclosure of information.

Forced arbitration clauses allow companies with serious legal problems to hide those problems. As more and more companies adopt “forced arbitration” clauses, public bodies in Virginia receive less and less information about potential contractors.

Companies using forced arbitration might appear to be good candidates for a contract on paper but may be rife with problems—like discrimination, labor abuses, and service failures—that would undermine their contract performance.

Not only are discrimination, wage theft, and other illegal practices contrary to One Fairfax and harmful to Virginians, but there also is a wealth of evidence that businesses that violate the law also provide substandard work—often at higher cost.

Transparency in contracting can “improve the quality of competition by encouraging bids from more responsible contractors that might otherwise abstain from bidding out of concern about being able to compete with less scrupulous corner-cutting companies.”

### **Therefore, be it resolved that The Fairfax County Democratic Committee:**

Supports state and local government contracting transparency:

1. Through state legislation to allow localities to ask bidders or offerors if they use forced arbitration against their own employees or consumers and allow localities to consider that information in contracting decisions; and
2. Through state executive orders that would allow agencies to ask bidders or offerors if they use forced arbitration against their own consumers or employees and allow localities to consider that information in contracting decisions.