

HAWORTH

change by design

June 8, 2009

The Honorable David Agema
The Honorable Justin Amash
The Honorable Doug Bennett
The Honorable Robert Dean
House of Representatives
Washington DC 20515

The Honorable Andy Dillon
The Honorable Bob Genetski
The Honorable Kevin Green
The Honorable Goeff Hansen
The Honorable Joseph Haveman
The Honorable Dave Hildenbrand

The Honorable Arlan Meekhof
The Honorable Fred Miller
The Honorable Tom Pearce
The Honorable Roy Schmidt
The Honorable Mary Valentine

Re: SENATE BILL 502

Dear Representative:

I am writing to you about Senate Bill 502 and the pending House legislation. While it is admirable for the State to promote businesses located or headquartered in Michigan, taking that promotion to a level of protection through preferential bidding practices is not necessarily the best thing for our State, taxpayers or businesses.

As background, Haworth has bid for and been awarded substantial furniture contracts for the State of Michigan since 1989. The Department of Management and Budget (DMB) Purchasing staff has a rigorous and thorough qualification and evaluation process to get the lowest price and best value for taxpayers. Bidders included in-state and out-of-state companies - all were treated fairly.

All things being equal, DMB's current practice is that business should be kept in the State. However, if the Michigan-based business cannot or will not compete on a level playing field, preference is not given because it would hurt the State, the taxpayer and the competitive marketplace. Had the preferential provisions of SB 502 been in place, the State would have paid millions more for the exact same product and services.

The potential cost to the taxpayer is only one negative facet of SB 502. Haworth does business with all 50 states and in over 120 countries. If those entities were to adopt similar policies (or worse, a retaliatory policy), Haworth would lose business. The resulting harm to our business would be 100 times greater than any gain from protecting our business with the State of Michigan.

We can certainly understand the positive perception gained by passing this legislation. However, we strongly believe the State, and the businesses headquartered here, would be far better off if the legislature focused on public policies to improve businesses costs, tax positions and overall competitiveness. *We encourage the House to stop the progress of SB 502 as it will hurt our businesses more than help them. Please do NOT vote this bill into law.*

I would be more than happy to speak with you further about this legislation, as well as coordinate discussions with other executives and the Haworth family.

Sincerely,

HAWORTH, INC.



Philip B. Todd
Director Sales Support

PT:vmc

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