



STATE OF NEW HAMPSHIRE

Executive Council

STATE HOUSE ROOM 207
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February 5, 2025

The Honorable Members of the New Hampshire Senate
Executive Departments and Administration Committee
State House Room 103
107 North Main Street
Concord, NH 03301

Dear Honorable Committee Members:

We write to express our strong opposition to Senate Bill 196-FN, which proposes to raise the threshold for exemption from competitive bidding requirements for certain state agency projects from \$500,000 to \$1,000,000.

Our concerns with this bill are multifaceted:

1. Fiscal Responsibility and Transparency:

- The increase in the bidding exemption threshold could lead to a significant reduction in fiscal oversight. Competitive bidding is a cornerstone of transparency in government spending, ensuring that taxpayer dollars are used efficiently and that contracts are awarded fairly. By doubling the exemption limit, we risk fostering an environment where large sums of public money are spent without competitive scrutiny, potentially leading to less cost-effective solutions for the state.

2. Revenue Impact on the Department of Administrative Services (DAS):

- As noted in the fiscal note accompanying the bill, there is an anticipated decrease in revenue for the DAS Division of Public Works Design and Construction (DPW). This loss, estimated at \$160,000 for FY 2026, \$170,000 for FY 2027, and \$180,000 for FY 2028, would necessitate additional general fund allocations to maintain current levels of service. This represents an unnecessary strain on the state's budget at a time when fiscal prudence is paramount.

3. Potential for Abuse and Lack of Accountability:

- Without the checks provided by competitive bidding, there's an increased risk of favoritism, cronyism, or even corruption. The current system ensures that multiple vendors have an opportunity to compete, which not only drives down costs but also maintains accountability. An elevated threshold could make it easier for contracts to be awarded in a less transparent manner.

4. Contingency and Staffing Concerns:

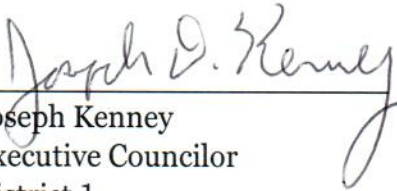
- Although the bill includes a contingency for additional staffing at the Department of Military Affairs and Veterans Services, the fact that this change is dependent on funding for new positions raises questions about the department's current capacity to manage projects of this scale effectively. It also suggests that the bill might be premature without clear assurances that the necessary infrastructure to handle the increased workload is in place.

5. Impact on Small and Local Businesses:

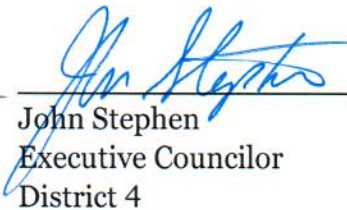
- Competitive bidding often provides opportunities for small and local businesses to engage with state contracts, fostering local economies. By raising the exemption limit, we might inadvertently limit these opportunities, favoring larger entities with more resources to secure non-competitively awarded contracts.

We appreciate the intent behind SB 196-FN to streamline certain administrative processes, but we must balance this with the need for fiscal responsibility, transparency, and fairness in how our state manages public funds. We urge you to consider these implications and to oppose this bill. Instead, we recommend exploring alternative solutions that maintain or enhance the current competitive bidding framework to ensure that our state continues to operate in the best interest of all New Hampshire residents.

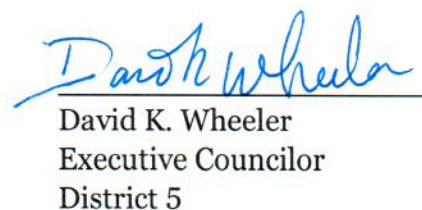
Sincerely,



Joseph Kenney
Executive Councilor
District 1



John Stephen
Executive Councilor
District 4



David K. Wheeler
Executive Councilor
District 5