

TESTIMONY
BEFORE THE
COMMERCE COMMITTEE
LEGISLATIVE OFFICE BUILDING
March 13, 2014

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut and the vast majority of these are small companies employing less than 50 people.

CBIA has significant concerns with **SB 421 An Act Concerning Certain Bidding Preferences in State and Municipal Contracting**.

CBIA is concerned about establishing more legislative preferences because (i) it contradicts the central goal of the competitive bidding process and (ii) may cause retaliation with neighboring states.

First, a central tenant of the state's bidding process is to attain the best price for the best work. This bill would put that basic premise into question by inserting another factor into the process. Another concern with in-state preference is that other states will adopt similar measures in their states. Considering Connecticut is a small state, especially taking into account some of our larger neighbors, businesses may face significant hurdles attaining contracts in other states if they were to adopt similar measures.

While we appreciate that some would say in-state preferences leads to higher employment of Connecticut residents, we strongly believe the bigger picture must be considered. CBIA strongly believes that competition is the best policy to support Connecticut's employers, especially taking into account the negative consequences on changes to the current bidding process and retaliation concerns.

In conclusion, although CBIA appreciates the perceived benefits of in-state contracting the significant consequences of such a change, including (i) altering the current competitive bidding process, (ii) retaliation by other states and (iii) existing preference laws, is outweighed. Thank you for the opportunity to offer CBIA's comments.