

House Local Government Committee
Hearing on House Bill 633
Room 140 Main Capitol
May 19, 2011
11:00 AM
Testimony of Don Bower

Ladies and Gentlemen:

Good morning.

I am here before you today as both a businessman and taxpaying citizen of this Commonwealth representing both my profession and other taxpayers.

Please understand that I am not here before you as an advocate for print media, school districts, political subdivisions or any governmental agencies. My purpose for being here today is to explain why I believe the implementation of the Department of Education's Mandate Waiver Program permitting the advertising and solicitation via official internet web sites in lieu of publicly circulated print media is not beneficial to Pennsylvania businesses and taxpayers.

I am aware that several school districts within Columbia County have been granted a Mandate Waiver from the Department of Education permitting the advertising and solicitation of, among other things, procurement contracts ranging from supplies to capital improvement projects as well as other school district business matters. Most notably is the Berwick Area School District from which I graduated from, having performed work for in the past, and pay taxes to as an individual and a businessman.

In September and October of 2010 the School District, in accordance with their approved Mandate Waiver, advertised and solicited a public works improvement project centered on the construction of a new athletic complex located on property of the School District. No local contractors within the immediate vicinity secured bidding documents nor submitted a proposal for the project from a prime contractor standpoint. Rather, the School District received proposals from contracting firms from out of the area and from states such as New York and Maryland. It

was not until approximately a week before the proposal due date that my staff was made aware of the project based on solicitations from the out of state firms. One may ask as to why no local contractors submitted a proposal to perform the work for the School District. My only answer is, like my firm, they were not aware of this project as well as another project undertaken by the School District in the summer of 2010.

The above circumstance concerns me, not only as a businessman, but as a taxpayer and resident of the School District. Prior to the District's implementation of soliciting public works contracts via electronic methods, the School District would advertise projects in local print media outlets as well as trade publications similar to Pennsylvania Construction News, the Dodge Report and the Harrisburg Builders Exchange to name a few. Utilizing these method the School District regularly entertained proposals from a minimum of ten (10) to fifteen (15) contractors from a broad region, both in and out of state firms. Now, the School District admittedly has seen bid responses significantly dwindle from previously advertised projects. Regarding the project mentioned herein, the nearest "local" firm securing bidding documents was from Pikes Creek in Luzerne County. There were two (2) other Pennsylvania contractors securing bidding documents with the balance being out of state firms. The reality is that of those firms securing bidding documents, those firms actually submitting proposals for this project were ALL out of state contractors. When I approached the School District concerning this, they acknowledged publicly that public notification should have been made and would consider this in future projects.

As we are all aware, this Commonwealth and the country for that matter is embroiled in economic turmoil. The unemployment rate is significantly high, foreclosures of homesteads and farms are still proceeding at a rapid rate, individuals and businesses are seeking bankruptcy protection and governments are being forced to cut public services so that budgets can be balanced without creating additional financial burdens to the taxpayers. In my opinion, had this project been advertised in print media, the School District would have undoubtedly received a greater response including those from local contractors. The increase in response would have resulted in more competitive bid proposals saving the School District and taxpayers, in my estimation, upwards of ten percent (10%) which could have been earmarked for other necessary

capital improvements. Furthermore, had the project been awarded to a local contractor, taxpayer monies would have ensured opportunities for “local” workers with these monies remaining locally rather than being exported to out of state firms.

Throughout my thirty-eight years in the contracting business, I’ve relied upon print media, trade periodicals, etc. for the solicitation and procurement of public works projects, sustaining my business in this manner. However, as technology has exploded over the past ten to fifteen years, solicitation via the internet was inevitable, leaving businesses to become more advanced or face being left behind.

The point of my appearance today is to question the validity of advertising solely upon the internet rather than print media. Are those entities that are advertising solicitations and procuring public contracts “electronically” truly practicing fiduciary responsibility to the taxpaying citizenry?

Finally, do the ends justify the means?

Thank you.