

Testimony in Opposition to SB 149
March 11, 2005 hearing
Presented by Marvin Eicholtz, Department of Administration

The Department of Administration is responsible for the purchase of all supplies and services for state government – so it is necessary that I appear before you to address our opposition to this bill. We have worked with the sponsor to address some technical concerns we had with the original bill and they are now included in the bill. On further review, we have suggested a couple of additional amendments that would help the bill work as intended that the sponsor has brought to your attention.

Having said that, we are still opposed to the bill for the following reasons:

- We have or have had contracts with many companies that are international, where some of their work may be performed outside of the United States. Examples would be: credit card companies, software support, banking and telecommunications. Other examples are in the handout. We believe these companies will not change their business processes just to do business with Montana. Therefore, we would be limiting competition to procure the services needed.
- We can insert this requirement in our contracts, however we are without a mechanism to monitor, audit and enforce it. How do we investigate protests on this issue? How do we insure the contractor is in compliance with this requirement throughout the contract period?
- One of the purposes of our procurement law is to “foster effective, broad-based competition within a free enterprise system.” We believe that restricting competition through protectionist legislation is not in the best interest on Montana taxpayers, who ultimately pay for government services.
- And finally, last year, legislation was introduced in 36 states to curb offshore work according to the National Conference of State Legislatures. Only two states – Tennessee and Illinois adopted such curbs. This year 16 states are considering such bills. This indicates to us that most other states are also finding this type of legislation problematic.

I would be happy to answer any questions. For more information, contact Marvin Eicholtz at 444-3119 or Sheryl Olson at 444-3315.

Thank you.