

2 bills would give edge to local bidders for work

By [Eric Russell](#) BDN Staff

BANGOR, Maine — How far should the state go to ensure that small Maine businesses are competitive in contract bids?

A freshman Democratic legislator from Bangor and a veteran Republican lawmaker from Ripley have submitted separate but similar bills that aim to find out.

Rep. Steven Butterfield of Bangor has introduced LD 327, An Act to Strengthen Maine Small Business by Establishing a Preference Percentage for State Contract Bids. Specifically, Butterfield wants to give Maine small businesses with 50 or fewer employees and \$5 million or less in gross sales a bump of 15 percent in the bidding process for state projects. That means a Maine firm could bid up to 15 percent higher on a project than an out-of-state contractor and still come out even.

Rep. Douglas Thomas of Ripley has offered an alternative, LD 586, An Act to Retain Business in the State by Amending the Law Governing State Contract Bids. Thomas wants to allow Maine businesses regardless of their size or revenue to bid 5 percent higher than non-Maine firms and still be equal. Butterfield's bill, which he called "tripartisan" because it has Republican and independent co-sponsors, was heard last week and received mixed reviews before the State and Local Government Committee.

"There are several states around the country that give preference points to local contractors," Butterfield said, explaining his reasons for drafting the bill. "The only thing Maine has is that, if there is a tie, the local bidder gets preference. That's not much. Don't we want to keep money in Maine?"

Among the groups opposed to the bill were the **Associated Builders and Contractors of Maine** and the state Bureau of General Services, which handles bids for all state projects. Their written testimony suggested the bill would discourage competition and would give small businesses too much of an advantage.

The Bangor lawmaker admitted that 15 percent is an ambitious request, but other elements of Butterfield's bill were debated heavily as well.

Butterfield's definition of a small business — 50 or fewer employees and gross sales of less than \$5 million — was a sticking point for some who opposed the bill. Additionally, his bill would require small businesses seeking state contract bids to offer health insurance to all employees.

"That would cripple many small businesses," said Thomas, whose own bill is much less specific than Butterfield's.

Thomas' legislation still awaits a hearing, but he thinks a 5 percent preference for Maine businesses — defined as companies whose principal place of business is in Maine and that pay

a majority of its payroll to Maine residents – is reasonable.

“Fifteen percent is too much,” he said. “All I want to do is level the playing field a little bit. The fact is, it costs more to do business in the state of Maine.”

Thomas was not optimistic about his bill’s chances of passing, but he said the debate is important.

“I try to buy American and Maine products when I can,” he said. “Why shouldn’t the state do the same?”

Butterfield said the initial hearing last week on his bill was eye-opening. He said one of the things he learned is that other states might respond to Maine’s local preference bill by passing their own. That, of course, would hamper Maine businesses seeking work outside the state. No state now has a local preference percentage as high as 15 percent.

Although both bills have the potential to make state projects more expensive, the argument is that it would create more money for the state in the long run through taxes and subsequent business related to construction.

Butterfield said he’s more than happy to work with the business community to alter his bill. LD 327 will get at least one more discussion, a work session scheduled for March 11.

“There was some concern among those in the business community that this would be too restrictive, and I’m certainly open to alternative suggestions,” he said.