

SEA / SEIU LOCAL 1984



# FACT SHEET



207 N. Main Street, Concord, NH 03246

## **Contracting Public Services at The New Hampshire Department of Education**

Looking back approximately 5 ½ years, there are contracts with the New Hampshire Department of Education (NHDOE) with three companies totaling more than 5 Million dollars. These three private providers are a sample of what is happening at NHDOE.

### **Attached is a record of:**

- [Approved contracts](#)
- [Dates of the Governor's Council meetings](#)
- [Agenda item numbers](#)
- [Spreadsheets](#)
- Copies of contract face pages to show the scope of work are available.

### **Why Private Contractors?**

- The work done could have been assigned to state employees at NHDOE and/or the Department of Information Services (NHDOIT).
- Instead, the work was contracted at high cost to taxpayers.
- While contracts are reviewed by the Governor and Governor's Council there doesn't seem to be a procedure to determine how long these contractors have been doing business with the state.
- There is no evidence of competitive bidding.
- Contracting services with private individuals and organizations is often viewed as an inexpensive way to get work done.
- In this case, using public employees would be less expensive.

## Additional Facts

- Software developers engineer products which they license to customers.
- They often sell licenses to multiple customers.
- Since they own the software, maintenance becomes the agency's ongoing cost.
- Contractors build infrastructure to complete their assigned contract.
- This infrastructure belongs to the company, not to the state.

## Cost Comparison

Three Contracts 5.5 years = \$5,022,783.72

60K/year X 15 state employees X 5.5 years = \$4,950,000.00

OR

100K/year x 9 state employees X 5.5 years = \$4,950,000.00

## In-House Bidding should be considered

- A bidding process by employees would result in efficiencies and cost savings.
- Through analysis of existing systems, agencies would create new partnerships with skilled and talented employees while keeping costs low.
- Just simple cooperation/proximity with coworkers helps everyone perform well.
- Proximity with contractors does not exist currently at NHDOE.
- Employee bids reduce cost and move the goals from profit to service.
- Other states have used employee bidding processes with success.
- The driving force behind public employment is to produce a quality service to citizens.
- The correct and obvious goal of private business is to maximize profit.
- Government limitations might not apply to the private sector.
- Contractors can skirt regulations. This doesn't presume ill intent.
- Contracting may provide short term alternatives for the government.
- Oversight and regular review must occur.
- What are the oversight processes at NHDOE?
- Business profit is good for the economy.
- Is business profit too expensive for taxpayers?

**Being conservative means, among other things, that we watch costs.**