



IT'S A NEW DAY

Veto Chapter 82

April 22, 1999

The Honorable Allan Spear
President of the Senate
120 Capitol
Saint Paul, Minnesota 55155

Dear President Spear:

I have vetoed and am returning Chapter Number 82, Senate File Number 1188, a bill that increases the dollar limit allowed for uniform municipal contracts.

The municipal contracting statute was enacted, in part, to ensure that municipal contracts are awarded on the basis of the best value at the best price, rather than being awarded on the basis of favoritism. The existing \$25,000 threshold allows cities the necessary flexibility to enter into routine contracts without submitting them to the administrative process required for competitive bidding. Moreover, while contracts for \$25,000 or less involve a significant amount of money, for the purposes of city contracting, I believe it is unlikely to create abuse.

I veto this bill today because I believe that doubling the threshold amount to \$50,000 goes too far and increases the risk of unethical conduct. As a former mayor, I am sensitive to the favoritism that sometimes exists at a local level. I believe that contracts should be awarded on the basis of what you know, not who you know. Competitive bidding is essential to ensure that this type of favoritism does not negatively affect a community's interest to the benefit of a contractor who happens to be in favor with the city manager, mayor, or city council.

I also believe that while \$50,000 may be a small amount of money to larger cities, this statute affects large and small cities alike. Raising the threshold to \$50,000 would be an enormous increase to small cities that may, under this new limit, rarely engage in competitive bidding.

For these reasons, I veto this bill.

Sincerely,