

House Appropriations Committee

January 19, 2016

Department of Administration

Testimony in support of SB 249

John Milburn, Director of Legislative and Public Affairs

Good morning and thank you for this opportunity to testify in support of SB 249 regarding state procurement practices.

The purpose of legislation is to amend KSA 75-3739, which would make three (3) changes with corresponding changes throughout the statute to match the proposed amendments. This measure was developed after discussions between the Office of Procurement and Contracts and other state agencies. With me today to answer any questions is Tracy Diel, Director of the Office of Procurement and Contracts.

The first proposed amendment in the statute would add a category where competitive bids would not be necessary. (See page 1, line 26) The new category would be for situations where repairs to a vehicle would be needed and the cost of those repairs exceeded the statutory amount. Currently, agencies would be required to obtain bids, before authorizing repairs. Several agencies found this exception necessary because once a vehicle was in for repairs, getting bids and potentially having to move the vehicle to another repair shop was not an efficient use of time and resources.

The second proposed amendment would establish a new threshold amount for seeking competitive bids for the purchase of commodities and services. (See page 3, line 21) Currently, state agencies have "self-delegated" authority to make purchases up to \$5,000 without seeking competitive bids. This authority is through the Secretary of Administration. Any purchase of \$5,000 or more must be subject to competitive bidding requirements set forth in K.S.A. 75-3739. Under the proposed amendment this authority could be increased by the Secretary of Administration up to \$10,000. In addition, the bidding requirements for purchases between the amounts of \$5,000 to \$10,000 would be removed (See Page 3, line 15).

The third proposed amendment allows the Secretary of Administration to delegate authority to a state agency to make purchases of less than \$50,000. (See page 3, line 27) The amendment would not relieve the agency of having to follow the bidding requirements in the statute. The Secretary of Administration would have the ability to set forth certain conditions that an agency would need to follow in order to have this expanded authority.

We feel these changes would give agencies the additional flexibility to conduct their operations while setting forth an appropriate level of oversight within the Department of Administration to remain good stewards of state revenues.

We would be pleased to stand for any questions.