



Operations Division
Darren Muci, Division Director
316-973-2048: FAX: 973-2200
e-mail: dmuci@usd259.net

School Service Center
3850 North Hydraulic
Wichita, Kansas 67219
operations.usd259.org

**Senate Committee on Ways and Means
Senator Ty Masterson, Chair**

Darren Muci, Wichita Public Schools
March 14, 2016

Good morning, Senator Masterson and Committee Members

I am Darren Muci, Operations Division Director for USD259-Wichita and I am accompanied today by the Purchasing Manager for USD 259, Mr. Jonathan Wyss.

On behalf of USD 259, please know that we recognize that the bill is intended as a starting point for discussion on collaboration. However, I am respectfully speaking in opposition to the SB 499 due to its complexity, magnitude of implementation, and short time frame for start-up.

USD 259 already utilizes many of the best procurement practices noted by Alvarez and Marsal. The district's purchasing team has developed commodity expertise in areas with large buys, conducted spend analysis, use local/state/national procurement contracts, and managed three national cooperative contracts.

Some of our concerns with the bill are as follows –

1 – What is included in "maintenance, repair, and operations?"

- Does maintenance include the service and the parts?
- USD 259 has schools constructed from 1912 to 2016; to keep schools running, without interruption, our relationships with local vendors provide quick response to unanticipated problems.
- Does this language suggest any servicing or maintenance of equipment or buildings could not be provided by district electricians, HVAC or maintenance employees?
- We are unclear how this language impacts functions now provided by trained and certified School Service Center personnel who keep our schools and students safe, including response to hazardous materials, repair of refrigeration, pest control, fire alarm maintenance and inspection, boiler maintenance, hood cleaning and repair, water leaks or electrical repair.
- The District's Facilities division understands the range of repairs and routine maintenance required to keep over ninety schools operational. School Service Center employees react quickly, such as during loss of electricity or water, **keeping students in school, teachers teaching, and students learning.**

2 – The inclusion of electricity:

- Kansas is not a deregulated state so we are not able to purchase electricity on the market or through a cooperative process.

3 – How will local vendors - those domiciled within each USD boundary - be allowed to participate in the contracting process if the contacts are let through the Department of Administration in Topeka?

- Will the Department of Administration utilize the vendor lists provided by USDs and only award contracts to local vendors?
- In addition to supporting their USDs with tax dollars, many local vendors also make donations and provide volunteer hours in support of educational and activities of their USD.

4 – Information Technology Equipment , Services and Software

- This is an extremely complicated area. Our most recent software system purchase spanned eighteen months from writing the request for proposal until the contract was finalized.
- Additionally, USD 259 is a “Dell shop”. Our contract is based upon the Western States Contracting Alliance (WSCA) cooperative agreement – a large regional purchasing cooperative - that has been adopted by the State of Kansas. We further negotiated our own contract based upon our standard computer configurations and service and supports needs to provide deep discounts. Our pricing is lower than referenced in the State’s contract. Further, we recently compared our pricing to the Midwestern High Education Compact (MHEC) contract and found that we would be doubling the price of our computer equipment if we were to use the MHEC contract.
- We are uncertain how the language in new section 1, line 23, would impact contracts on software systems for human resources, finance, pupil accounting and more. Does this language imply the district would be required to abandon the current HR software program after the contract expires?

5 – We are concerned the implementation is July 1, 2016. USDs have already begun planning for purchases for the 2016-2017 year.

- Would USDs have to cease with their processes on July 1st and wait for the Department of Administration to complete their purchases?
- Will there be time for procedures to be put in place to receive requests for purchases and engage in meaningful discussion regarding the nuances of specification development?
- How will the Department of Administration handle the possibility of receiving and facilitating multiple contracts for the purchase categories referenced in the bill that may have slight variances?
- We are concerned about unintended consequences and whether current contracts could even be renegotiated in such a short timeframe.

6 - How would purchases of food be handled?

- Each USD develops food contracts based upon menus, special dietary needs of students and federal standards. Contracts allow for multiple deliveries during the year based on storage and usage which also impacts contract terms.
- This is a commodity where the July 1 implementation date may be overly optimistic to meet the buying requirements for the start of school in August.

7 – Purchase of fuel. USD 259 generally bids fuel 2-3 times weekly for over 450 school buses.

- One limiting factor for fuel is the ability to take delivery and store. Many districts do not have storage available, so we are uncertain how centralizing fuel would work.
- We have explored buying cooperatively with other large political subdivisions and have been unable to secure pricing lower than what we are currently paying.

Chairman Masterson, we agree with the goal to get the best quality and buy for taxpayer dollars. We would suggest the Department of Administration be given time to develop an ad hoc committee to brainstorm and identify ways to assist, where necessary and prudent, USDs with procurement activities. A committee with representation from school service centers, a board geographic representation of districts, schools such as USD 259 who have professional procurement staff, Kansas School Business Officers and United School Administrators could all be resources.

Allowing time for further investigation and discussion should yield a comprehensive product designed to meet the needs of districts across the state. Collectively we have expertise, knowledge and experience to assist the Department of Administration in the development of school purchasing recommendations.

In closing, I will note that after the release of the initial draft of the Alvarez and Marsal report I initiated conversations with the State’s Procurement Director, Mr. Tracy Diel, and the Associate Vice Provost of Campus Operations for the University of Kansas, Mr. Barry Swanson. We have served together on the State Use Law Oversight Committee for several years working on procurement issues. I am certainly ready to serve on an ad hoc committee to help define the best solutions for Kansas school districts.

Thank you for the opportunity to provide comments and suggestions on SB 499.