

Approved 03/05/87  
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Phil Kline at  
Chairperson

3:30 a.m./p.m. on Tuesday, Feb. 17th, 1987 in room 423-S of the Capitol.

All members were present except:

Representatives Dyck, Goossen, Heinemann, Moomaw, Sader and Teagarden and Miller  
(All Excused).

Committee staff present:

Jim Wilson, Revisor  
Lynn Holt, Research  
Molly Mulloy, Secretary

Conferees appearing before the committee:

Ed Schaub, representing SW Bell Mobile Systems  
Bill Ewing, SW Bell Telephone  
Gary Reser, Kansas Telecommunications Association  
Phil Woodbury, Emporia Mobile Phone

Chairman Kline called the meeting to order and welcomed Rep. Delbert Gross. Rep. Gross requested that a bill be introduced to the committee which related to state contracts and purchases of goods or equipment produced or manufactured within the state (Attachment 1). Rep. Mainey moved that the bill be introduced and Rep. Foster seconded the motion. The motion carried.

Chairman Kline opened the Hearing on H.B. 2270 and called on the first conferee, Ed Schaub, who spoke in support of the bill. He noted that this bill was merely to correct an oversight that occurred when the original bill was passed, and that it would extend the "sunset" into July 1988. The 1988 legislature would review the two years of deregulation and decide whether or not to continue deregulation after that date.

The second conferee was Bill Ewing, who also supported the bill.

Gary Reser read his testimony in support of the bill (Attachment 2), stating that the entire two years of deregulation is needed to measure the law's impact.

The last conferee was Phil Woodbury, who wished to discuss the long-term implications of deregulation. Chairman Kline stated that such discussion was not on the agenda today, but welcomed Mr. Woodbury's comments on H.B. 2270. Mr. Woodbury said he did not object to the six month extension.

Rep. Mainey moved to pass H.B. 2270 favorably. Rep. Aylward seconded the motion. Rep. Helgerson moved to amend the motion so that H.B. 2270 be put on the Consent Calendar. The motion carried.

The minutes of the meetings held on February 5, 9, 10, 12 and 16 were approved.

The meeting was adjourned at 3:55pm.



2585  
375

HOUSE BILL NO. \_\_\_\_\_

By Representatives Gross and Wisdom

AN ACT relating to state contracts and purchases; concerning the purchase of goods, merchandise, materials, supplies or equipment produced or manufactured within the state; amending K.S.A. 1986 Supp. 75-3740 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1986 Supp. 75-3740 is hereby amended to read as follows: 75-3740. (a) All contracts and purchases made by or under the supervision of the director of purchases or any state agency for which competitive bids are required shall be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids.

(b) The director of purchases shall have power to decide as to the lowest responsible bidder for all purchases, but except that: (1) In cases where the dollar amount of the bid received from the lowest responsible bidder from within the state is identical to the dollar amount of the bid received from the lowest responsible bidder from without the state, the contract shall be awarded to the bidder from within the state; and (2) in cases where the bid of any bidder offering goods, merchandise, materials, supplies or equipment produced or manufactured within the state of Kansas does not exceed the bid submitted by a bidder offering comparable goods, merchandise, materials, supplies or equipment produced or manufactured in any country other than the United States by an amount exceeding 5%, the contract may be awarded to the bidder offering the goods, merchandise, materials, supplies or equipment produced or manufactured within the state of Kansas.

Attachment 1  
2/17/87

(c) Any or all bids may be rejected, and a bid shall be rejected if it contains any material alteration or erasure. The director of purchases may reject the bid of any bidder who is in arrears on taxes due the state, who is not properly registered to collect and remit taxes due the state or who has failed to perform satisfactorily on a previous contract with the state. The secretary of revenue is hereby authorized to exchange such information with the director of purchases as is necessary to effectuate the preceding sentence notwithstanding any other provision of law prohibiting disclosure of the contents of taxpayer records or information. Prior to determining the lowest responsible bidder on contracts for construction of buildings or for major repairs or improvements to buildings for state agencies, the director of purchases shall consider: (1) The criteria and information developed by the secretary of administration, with the advice of the state building advisory commission to rate contractors on the basis of their performance under similar contracts with the state, local governmental entities and private entities, in addition to other criteria and information available, and (2) the recommendations of the project architect, or, if there is no project architect, the recommendations of the secretary of administration or the agency architect for the project as provided in K.S.A. 75-1254, and amendments thereto. In any case where competitive bids are required and where all bids are rejected, new bids shall be called for as in the first instance, unless otherwise expressly provided by law.

(d) Before the awarding of any contract for construction of a building or the making of repairs or improvements upon any building for a state agency, the director of purchases shall receive written approval from the state agency for which the building construction project has been approved, that the bids generally conform with the plans and specifications prepared by the project architect, by the secretary of administration or by the agency architect for the project, as the case may be, so as

to avoid error and mistake on the part of the contractors. In all cases where material described in a contract can be obtained from any state institution, the director of purchases shall exclude the same from the contract.

(e) All bids with the names of the bidders and the amounts thereof, together with all documents pertaining to the award of a contract, shall be made a part of a file or record and retained by the director of purchases for five years, unless reproduced as provided in K.S.A. 75-3737, and amendments thereto, and shall be open to public inspection at all reasonable times.

(f) As used in this section and in K.S.A. 75-3741, and amendments thereto, "project architect" shall have the meaning ascribed thereto in K.S.A. 75-1251, and amendments thereto.

Sec. 2. K.S.A. 1986 Supp. 75-3740 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

2

BEFORE THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE  
STATEMENT OF KANSAS TELECOMMUNICATIONS ASSOCIATION  
IN SUPPORT OF HOUSE BILL 2270  
FEB. 17, 1987

Rep. Kline, Rep. Aylward, Rep. Barkis, and members of the committee. My name is Gary Reser. I am executive vice president of the Kansas Telecommunications Association (KTA), formerly the Kansas Telephone Association.

Three telephone systems companies and 26 independent telephone companies are members of the KTA. The 29 KTA member companies have 1,160,920 access lines around the state.

The KTA supports H. B. 2270.

When the legislation providing this deregulation went into effect, it was intended that the entire two years would be taken to measure the law's impact. By extending the two-year period an additional six months, it will be possible during the early part of 1988 to see what has transpired under deregulation.

Again, Rep. Kline and members of the committee, the KTA supports the six-month deregulation extension outlined in H. B. 2270 and respectfully requests the committee to recommend the bill favorably for passage.

Thank you very much for allowing me to be here today.

Respectfully submitted,

*Gary Reser*

Gary Reser, CAE  
Executive Vice President  
Kansas Telecommunications Association

Attachment 2  
2/17/87