

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 15, 1996 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department  
Paul West, Legislative Research Department  
Don Cawby, Legislative Research Department  
Kathy Porter, Legislative Research Department  
Julian Efirt, Legislative Research Department  
Norman Furse, Revisor of Statutes  
Michael Corrigan, Revisor of Statutes  
Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Thaine Hoffman, Director, Division of Architectural Services  
Trudy Aron, American Institute of Architects  
Mike Lackey, Asst. Secretary, Department of Transportation  
George Barbee, Kansas Consulting Engineers

Others attending: See attached list

**SB 717: Appropriations for FY 97, capital improvements for various state agencies**

Senator Kerr reviewed the subcommittee report for capital improvements (Attachment 1). He noted that the subcommittee which studied the budgets for the youth centers had recommended using a portion of the security enhancement monies for uniforms at Beloit. The capital improvements subcommittee did not believe that this was an appropriate use of SIBF monies. Senator Morris moved and Senator Lawrence seconded that the subcommittee report be amended to indicate that \$50,000 for the dress code at the Youth Center at Beloit be considered during Omnibus. The motion carried on a voice vote.

Senator Karr pointed out that the most critical need for the Youth Centers is to have a needs analysis for facilities for juvenile offenders because they have not formulated a capital improvements plan beyond surveillance cameras.

Senator Morris suggested that a chain link fence might work as a deterrent to keep persons from entering the youth centers. Senator Morris moved, Senator Lawrence seconded, that the subcommittee report be amended to encourage the Youth Centers to consider a lower cost fence in the process of formulating a plan for fences at the youth centers. The motion carried on a voice vote.

It was moved by Senator Karr and seconded by Senator Vancrum that the subcommittee report as amended be adopted. The motion carried on a voice vote.

Senator Vancrum moved and Senator Lawrence seconded that **SB 717** be technically amended and that **SB 717 as amended** be recommended favorably for passage. The motion carried on a roll call vote.

**HB 2730: State building projects; repetitive designs**

Mr. Thaine Hoffman, Director of Architectural Services, Department of Administration, appeared before the Committee and reviewed his written testimony in support of **HB 2730** (Attachment 2). He explained that the bill would allow the agency to use plans that had been used for previous projects if the new project adds no

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 15, 1996.

more than 25% of the original project's square footage and if the plan has been used within the last four years. In answer to Senator Vancrum, he stated that the House amendment would provide him a better definition of the law and would not be too restrictive.

Trudy Aron, Executive Director of the American Institute of Architects in Kansas testified in support of HB 2730 and reviewed her written testimony (Attachment 3). She stated that the Institute supports the bill because it allows the state to reuse plans that have been designed by state employees and because the 25% design percentage increase makes it less likely that a project will be totally redesigned. There were no questions.

Mike Lackey, Assistant Secretary, Department of Transportation, testified as a proponent of HB 2730, noting that the agency would support the bill because it would allow projects to be let more quickly (Attachment 4). It was moved by Senator Rock and seconded by Senator Vancrum that HB 2730 be recommended favorably for passage, and, because the Committee believes the bill is of a noncontroversial nature, that it be placed on the consent calendar. The motion carried on a roll call vote.

**HB 2727:** **State agencies, engineering services, negotiating committee, when required**

Thaine Hoffman testified as a proponent of HB 2727 and reviewed his written testimony (Attachment 5). He explained that currently the agency must convene a negotiating committee to select an engineer for any capital improvement project estimated to cost more than \$100,000. This bill would raise the threshold to \$250,000. In answer to questions, he stated that the Adjutant General has a number of the projects, but not the majority. He told members that currently "on-call" engineers for projects under \$100,000 go through the same selection process as those for projects over \$100,000. In answer to Senator Lawrence, he stated that examples of projects which cost between \$100,000 and \$250,000 could be the replacement of boilers or fire alarm systems.

George Barbee appeared on behalf of the Kansas Consulting Engineers in support of HB 2727 and reviewed his written testimony (Attachment 6). He told members that the Division of Architectural Services has been fair in selecting and awarding contracts and stated that this bill does not have any impact on what the Division can do in-house.

Senator Rock moved, Senator Morris seconded, that HB 2727 be recommended favorably and, because the Committee believes that the bill is of a noncontroversial nature, that it be placed on the consent calendar. The motion carried on a roll call vote.

**SB 662:** **Certificate of title fees, disposition**

The Chairman noted that a proposed agreement had been provided by the Department of Revenue and the Kansas Highway Patrol (Attachment 7) at a previous meeting and that members had been urged to review the proposal. Senator Karr noted that the agreement was a fragile one and he hoped all parties have a mutual interest in making the Fleet Acquisition Program and the VIPS improvements successful. Senator Vancrum noted that the Department of Revenue has been supportive of getting all the counties on an AS 400 system.

Senator Karr moved, Senator Vancrum seconded, that the amendments (Attachment 7) be adopted. The motion carried on a voice vote.

It was moved by Senator Morris and seconded by Senator Vancrum that SB 662 as amended be recommended favorably for passage. The motion carried on a roll call vote. The Chairman noted that he might look for a House bill to amend SB 662 into because of time constraints.

It was moved by Senator Karr and seconded by Senator Brady that bill draft 5 RS 2497 be introduced as requested by Senator Feleciano. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:00 noon. The next meeting is scheduled for March 18, 1996.



## SUBCOMMITTEE REPORT

### Senate Bill No. 717

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Committee Rec.	Senate Subcommittee Rec.	Conference Committee Rec.
<b>Sec. 2 – Kansas State Fair</b>						
Rehab. and Repair of Fairground Facilities	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	
Construction of New Horse Stall Barn	100,000	0	0	0	0	
ADA and EPA Compliance Projects	50,000	20,000	20,000	20,000	20,000	
Renovation of Commercial Building:						
a) Safety and ADA Concerns	585,827	0	0	0	0	
b) Structural and Utility Upgrade	403,695	0	0	0	0	
Debt Service on Grandstand Renovation – Principal*	90,000	90,000	90,000	90,000	90,000	
Encampment Building	0	24,564	24,564	24,564	24,564	
<b>TOTAL</b>	<b>\$ 1,404,522</b>	<b>\$ 309,564</b>	<b>\$ 309,564</b>	<b>\$ 309,564</b>	<b>\$ 309,564</b>	
<b>Financing:</b>						
State General Fund	\$ 1,039,522	\$ 24,564	\$ 24,564	\$ 24,564	\$ 24,564	
Other Funds	360,000	285,000	285,000	285,000	285,000	
<b>TOTAL</b>	<b>\$ 1,399,522</b>	<b>\$ 309,564</b>	<b>\$ 309,564</b>	<b>\$ 309,564</b>	<b>\$ 309,564</b>	

*Senate Ways & Means  
 March 15, 1996  
 Attachment 1*

\* In addition, funding of \$23,668 is included in the agency's operating budget for debt service interest.

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Committee Rec.	Senate Subcommittee Rec.	Conference Committee Rec.
<b>Sec. 3 – Department of Social and Rehabilitation Services</b>						
SRS Institutions and Rehab. Facilities Rehabilitation and Repair (S-1)	\$ 10,016,200	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000	
SRS Office Facilities:						
Chanute Office Building Rehabilitation and Repair (S-2)	123,400	212,000	212,000	212,000	212,000	
State Complex West Rehabilitation and Repair (S-3)	881,600	397,028	397,028	397,028	397,028	
Remodel Chanute Office Building (S-4)	1,164,300	0	0	0	0	
TOTAL	<u>\$ 12,185,500</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>	
<b>Financing</b>						
State Institutions Building Fund	\$ 10,016,200	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000	
State General Fund	1,560,272	0	0	0	0	
Other Funds	609,028	609,028	609,028	609,028	609,028	
TOTAL	<u>\$ 12,185,500</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>	
<b>FY 1996 Project</b>						
Youth Center Security Enhancements	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
<b>Financing</b>						
State Institutions Building Fund	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	

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**As a technical adjustment, the Senate Subcommittee adds the FY 1996 project to the bill. The Subcommittee further recommends that expenditures from the Youth Center Security Enhancements account be restricted to (1) an analysis of the needs for facilities for juvenile offenders; and (2) security enhancements at the existing youth centers, with the provision that expenditures for security enhancements at the existing youth centers be subject to the approval of the State Finance Council.**

**Sec. 4 – Larned State Hospital**

On July 1, 1996 lapse all funds in SIBF account: construct/equip youth center at Larned building.

Concur

Concur

Concur

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Committee Rec.	Senate Subcommittee Rec.	Conference Committee Rec.
<b>Sec. 5 – Kansas State School for the Blind</b>						
Major Maintenance	\$ 58,270	\$ 58,270	\$ 58,270	\$ 58,270	\$ 58,270	\$ 58,270
Upgrade Alarm Systems	24,800	24,800	24,800	24,800	24,800	24,800
Install Security Cameras	22,890	22,890	22,890	22,890	22,890	22,890
Student Residence Project <sup>a</sup>	1,700,000 <sup>a</sup>	1,700,000	1,800,000	1,800,000	1,800,000	1,800,000
<b>TOTAL</b>	<b>\$ 1,805,960</b>	<b>\$ 1,805,960</b>	<b>\$ 1,905,960</b>	<b>\$ 1,905,960</b>	<b>\$ 1,905,960</b>	<b>\$ 1,905,960</b>

**Funding:**

State Institutions Building Fund	\$ 1,805,960	\$ 1,805,960	\$ 1,905,960	\$ 1,905,960	\$ 1,905,960
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- a) Previously appropriated. The 1994 legislature approved a multiyear appropriation from the Institutions Building Fund totaling \$4,550,000 to construct a new student residence dining facility, to renovate the Irwin Building for administrative space, and to demolish the old administration building. The appropriation includes \$750,000 in FY 1995, \$2,100,000 in FY 1996 and \$1,700,000 in FY 1997.

The Building Committee's \$100,000 increase for the student residence project is based on information not available to the Governor prior to his recommendation. The residence project will incur an estimated \$100,000 in increased costs due to unanticipated construction complications. The House Committee and the Senate Subcommittee concur.

**Sec. 6 – Kansas School for the Deaf**

Rehabilitation and Repair	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Install Air Conditioning in Roth Dormitories and Roberts Academic Building	100,686	0	100,686	100,686	100,686
Finish Diagnostic Service Area; Demolish Emery Hall; Grade Athletic Area; Finish Parents Suite and Furnishings	670,500	670,600	670,600	670,600	670,600
Repair Steam Tunnel and Replace and Insulate New Piping in Steam Tunnel	169,910	0	169,910	169,910	169,910
<b>TOTAL</b>	<b>\$ 1,016,096</b>	<b>\$ 745,600</b>	<b>\$ 1,016,196</b>	<b>\$ 1,016,196</b>	<b>\$ 1,016,196</b>

**Funding:**

State Institutions Building Fund	\$ 1,016,096	\$ 745,600	\$ 1,016,196	\$ 1,016,196	\$ 1,016,196
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Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Committee Rec.	Senate Subcommittee Rec.	Conference Committee Rec.
<b>Sec. 7 – Department of Corrections</b>						
Rehabilitation and Repair for Various Correctional Institutions	\$ 4,006,228	\$ 4,006,228	\$ 4,006,228	\$ 4,006,228	\$ 4,006,228	
Construct Three Housing Units at El Dorado Correctional Facility	28,510,500	0	0	0	0	
Construct a Fourth Housing Unit at El Dorado Correctional Facility	5,839,500	0	0	0	0	
Construct a New Reception and Diagnostic Unit at El Dorado Correctional Facility – Planning	425,000	0	0	0	0	
Construct Sexual Predator Commitment Treatment and Housing Unit at Larned Correctional Mental Health Facility – Planning	600,000	0	0	0	0	
Construct Industry-Maintenance Addition at Ellsworth Correctional Facility	484,130	0	0	0	0	
Construct Warehouse and Maintenance Building at Norton Correctional Facil.	514,750	0	0	0	0	
Debt Service Principal – Revenue Refinancing Bond (El Dorado and Larned)	4,210,000	4,210,000	4,210,000	4,210,000	4,210,000	
Debt Service Principal – Ellsworth Correctional Facility	765,000	765,000	765,000	765,000	765,000	
Debt Service Principal – Wichita Work Release Facility	100,000	100,000	100,000	100,000	100,000	
<b>TOTAL</b>	<b><u>\$ 45,455,108</u></b>	<b><u>\$ 9,081,228</u></b>	<b><u>\$ 9,081,228</u></b>	<b><u>\$ 9,081,228</u></b>	<b><u>\$ 9,081,228</u></b>	
<b>Funding:</b>						
State General Fund	\$ 40,450,000	\$ 3,075,000	\$ 3,075,000	\$ 3,075,000	\$ 3,075,000	
Correctional Institutions Building Fund	5,005,108	6,006,228	6,006,228	6,006,228	6,006,228	
<b>TOTAL</b>	<b><u>\$ 45,455,108</u></b>	<b><u>\$ 9,081,228</u></b>	<b><u>\$ 9,081,228</u></b>	<b><u>\$ 9,081,228</u></b>	<b><u>\$ 9,081,228</u></b>	

\* In addition, funding of \$4,324,350, including \$4,043,350 from the State General Fund is included in the Department's operating budget for debt service interest.

1-4

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Committee Rec.	Senate Subcommittee Rec.	Conference Committee Rec.
<b>Sec. 8 – Kansas State Historical Society</b>						
Emergency Repairs	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 0	
Cyclical Maintenance	100,000	50,000	50,000	50,000	50,000	
Kansas History Center – Entrance Road Replacement	160,000	0	0	0	0	
Kansas History Center – Flood Plain Improvements	141,783	0	0	0	100,000	
Historic Sites Preservation and Development	305,454	0	0	0	0	
Kansas Museum of History – Exterior Cleaning and Joint Sealing	175,000	0	0	0	0	
Center for Historical Research – Storage Bay No. 3	2,037,417	0	0	0	0	
<b>TOTAL</b>	<b>\$ 2,944,654</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 150,000</b>	
<b>Financing:</b>						
State General Fund	\$ 907,237	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
Economic Development Initiatives Fund (EDIF)	2,037,417	0	0	0	0	
State Water Plan Fund	0	0	0	0	100,000	
<b>TOTAL</b>	<b>\$ 2,944,654</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 150,000</b>	
<b>Sec. New – Board of Agriculture</b>						
<b>FY 1996 Project</b>						
Repair AC at Laboratory	\$ 54,400	\$ 25,473	\$ 25,473	\$ 25,473	\$ 25,473	
<b>Financing</b>						
State General Fund	\$ 54,400	\$ 25,473	\$ 25,473	\$ 25,473	\$ 25,473	

As a technical adjustment, the Senate Subcommittee adds this section to the bill.

5-1



Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Committee Rec.	Senate Subcommittee Rec.	Conference Committee Rec.
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**Sec. 10 – State General Fund Transfer to SIBF**

Sec. 10 transfers \$69,638 in FY 1997 from the State General Fund to the State Institutions Building Fund to replace reduced motor vehicle tax receipts created by the passage of 1995 S.B. 150.

Concur

Concur

\$ 0

1-6

**The Senate Subcommittee does not recommend the transfer of \$69,638 from the State General Fund to the SIBF.**

**Staff Note:** The bill as introduced includes the Kansas Commission on Veterans Affairs. This agency has already been addressed in S.B. 552. As a technical adjustment, the Senate Subcommittee deletes this section from the bill.

**Sec. New – Department of Human Resources**

(a) (b) (c) (d) (e)

- a) The agency requests authority to sell the former Job Service Office in Coffeyville. Under federal law, any proceeds from the sale must be utilized for the acquisition or expansion of office space for the Job Service program or returned to the federal government.
- b) The Governor has not considered this item.
- c) The Building Committee recommends the authorization of the sale as requested.
- d) The House has not considered this item.
- e) The Senate Subcommittee concurs with the recommendation of the Building Committee.

Senator Dave Kerr  
Subcommittee Chairman

Senator Robert Vancrum

Senator Gerald Karr

STATE OF KANSAS



DEPARTMENT OF ADMINISTRATION

Division of Architectural Services

BILL GRAVES, Governor  
SHEILA FRAHM, Lt. Governor/Secretary  
THAINE HOFFMAN, AIA, Director

625 SW Polk Street  
Topeka, Kansas 66603-3288  
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January 31, 1996

Re: Written Testimony  
House Bill 2730 - Plans for repetitive projects

One of the primary rolls of the Director of Architectural Services is to save taxpayer dollars.

One way to do this is to develop "standard" plans for repetitive projects such as the Kansas Department of Transportation (KDOT) salt domes, KDOT shops and offices, Wildlife and Parks' restrooms and shower houses. Standard plans not only saves design costs but allow these plans to become construction tested and perfected to a degree not possible on single-use plans.

Most repetitive buildings are below the \$500,000 limit and can be done by Architectural Services in-house design staff. However, with inflation, buildings that were previously done in-house now exceed the statutory limit and must be redrawn by outside consultants. It makes no sense to spend your tax dollars to develop new plans when the Division of Architectural Services (DOAS) already has the perfected plans available. This was the case with the KDOT shops at Kansas City at a fee of \$38,000, and at Wichita at a fee of \$50,500. DOAS receives fees for our services, but even considering our fees, the agency would have saved over \$5,000 on these two projects. Plus, the fees to DOAS could reduce our dependance on general funds.

A similar problem occurs when new features are added to "standard" plans. If a wash bay is added to a KDOT sub-area shop, it may run the cost over the statutory limit and thus require the project to be redrawn by an outside consultant. This bill would allow up to a 25% increase in the floor area if the standard design was still appropriate.

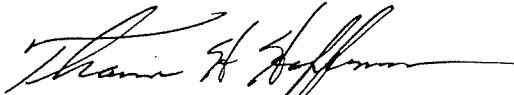
*Senate Ways & Means  
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Attachment 2*

Licensure and copyright laws add to the problem. One professional may not seal the work of another, thus the plans need to be redrawn by each new firm. In addition, one firm recently threatened to sue if the second firm copied their design. In standard buildings, there is no economy in redesigning each one. This proposal avoids those issues by having the plans originate within the State system. The plans can then be revised as needed.

The provisions of this bill would not be in effect if DOAS increased the personnel in our design section, thus insuring that this is not an attempt to increase the size of our office. However, it would allow us to do the projects that will save the taxpayers the most money.

I would ask that this bill be approved.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thaine H. Hoffman".

Thaine Hoffman, AIA  
Director

TH:gk

# AIA Kansas

A Chapter of The American Institute of Architects  
75th Anniversary 1921-1996

March 15, 1996



TO: Senator Kerr and Members of the Senate Ways & Means Committee  
FROM: Trudy Aron, Executive Director  
POSITION: Support for HB 2730

I am Trudy Aron, Executive Director, of the American Institute of Architects in Kansas (AIA Kansas). Thank you for the opportunity to testify in support of HB 2730 .

I'd like to provide the committee with a little background. Current law requires the State to select a private architectural firm to design projects which have projected construction costs greater than \$500,000. Projects which cost less than this amount are usually designed by staff architects at the Division of Architectural Services or other state agencies. In 1990, AIA Kansas agreed to the doubling of the threshold for requiring private firms from \$250,000 to the current \$500,000. That decision was very controversial within our organization with small firms believing we had done them a disservice.

That background brings us to the bill being discussed today. In light of the problems caused by expanding the threshold six years ago, our Board was not anxious to further expand the services which could be provided by the Division or other agencies. However, after numerous meetings between our Board and the Division of Architectural Services, we agreed to support the bill you have before you today.

HB 2730 would allow the Division or other agency to reuse their original design and build the project at a second (or more) site. We understand the State's desire to reuse plans already designed by their staff and since these plans have been designed by state employees, liability and ownership problems are eliminated. The 25% design percentage increase outlined in the bill makes it less likely that a project will be totally redesigned. A totally redesigned project would not be a repetitive one and would make it subject to the current statute.

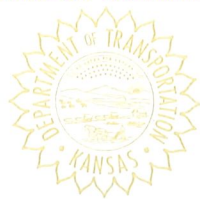
Thank you for allowing us to testify on this bill. I'll be happy to answer any questions you may have.

*President*  
F. Lynn Walker, AIA  
*President Elect*  
Vincent Mancini, AIA  
*Secretary*  
Alan M. Stecklein, AIA  
*Treasurer*  
Gregory E. Schwerdt, AIA  
*AIA Kansas City Director*  
Neal J. Angrisano, AIA  
*AIA Flint Hills President*  
Madlen Simon, AIA  
*AIA Topeka President*  
Jerry E. Volesky, AIA  
*AIA Wichita President*  
Martin (Tony) Rangel, AIA  
*Associate Representative*  
Leslie L. Fedde, Associate AIA  
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Sarah L. Garrett, Associate AIA  
Gary R. Gegen, AIA  
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Donnie D. Marrs, AIA  
*University Liaisons*  
John Gaunt, FAIA, KU  
Eugene Kremer, FAIA, KSU

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Trudy Aron, Hon. AIA, CAE

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*Senate Ways & Means*  
*March 15, 1996*  
*Attachment 3*

**KANSAS DEPARTMENT OF TRANSPORTATION**

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*Secretary of Transportation*

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Bill Graves  
*Governor of Kansas*

**SENATE COMMITTEE ON WAYS AND MEANS**  
**March 15, 1996**

**REGARDING HOUSE BILL 2730**  
**ARCHITECTURAL SERVICES FOR STATE BUILDINGS**

Mr. Chairman and Committee Members:

On behalf of the Department of Transportation, we are providing testimony in support of H.B. 2730. This bill amends current law regarding architectural services for state buildings.

The agency supports this bill as amended by the House Committee on Appropriations. As amended, repetitive projects would include the smaller subarea shops. For several years, sub-area shops have exceeded the \$500,000 limit. As a result, they have been designed by outside architectural firms, even though their designs were based on an original design by the State Architect. Under H.B. 2730 as amended, we would be able to get smaller sub-area projects let much quicker and in theory for lower design costs. The Division of Architectural Services has estimated that the bill, as amended, would have saved KDOT approximately \$88,000 on two recent projects. In addition, being able to have the project let to contract more quickly is a valuable improvement to agency operations. Therefore, the agency strongly supports this bill.

*Senate Ways & Means*  
*March 15, 1996*  
*Attachment 4*

**Written Testimony**  
**H.B. 2727 - Increase limits on engineering to \$250,000**  
February 2, 1996

Present legislation requires that, for every engineering project with a cost of over \$100,000, the engineer be selected as follows:

- Request proposals through the Kansas Register.
- Have the State Building Advisory Commission review the proposals and short list 3 to 5 firms.
- Set up a negotiating committee of 3 members; one from the agency, one from the institution and one from DOAS.
- The negotiating committee interviews each firm, makes a selection.
- Negotiate a fee with the successful firm.
- Prepare a separate contract with the consulting firm for this project.

This is a very fair and appropriate method of selecting engineers for large projects. However, it is very time consuming, both for the state and for the engineering firms.

For projects under \$100,000, firms are selected by the same process, but as "on-call" engineers for a given institution. This means that we contract with the firm for a period of one year, renewable for two additional one-year periods, to do small projects. When an institution has a project, they contact the "on-call" engineer, get a fee proposal, and if the proposal is agreeable, the firm is instructed to proceed. This reduces the time required by both the State and the firms.

The present limit of \$100,000 was set in the late 70's. Construction inflation has doubled the costs since that time, thus the full selection process and individual contracts must be prepared for work that previously could be handled by "on-call" engineers.

This limit would have affected approximately 10 projects in 1995. Not considering the savings to the engineering firms or to the members of the State Building Advisory Commission, we would still have the following savings on each project:

- Advertizing in the Kansas Register
- Receiving, assembling and delivering proposals to SBAC.
- Meeting with SBAC
- Organizing the negotiating committee and interviews.
- Interviewing each firm and making selection.
- Meeting with successful firm and negotiating fee.
- Preparing contract and getting signatures
- Negotiating committee meeting to review project

It is conservatively estimated that 50 hours at \$20 per hour or \$1000 per project could be saved, for a total savings to the State of \$10,000 annually.

It would also help the engineering firms by eliminating the need for them to prepare the proposal, prepare for the interviews and attend the interviews. Often several executives in each firm are involved in these interviews. Thus, 3 people per firm x 4 hours (including travel) x 5 firms per job x 10 projects equal a savings to the firms of 600 hours annually for the interviews, not counting preparation.

This would also reduce the workload on the members of the State Building Advisory Commission. This could result in a savings of 2 hours per project x 10 projects x 6 members = 120 hours per year.

*Senate Ways & Means*  
*March 15, 1996*  
*Attachment 5*

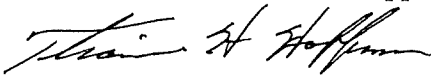
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The Kansas Consulting Engineers agree with DOAS that the limit should be updated to \$250,000, saving time for all involved.

Col. Vonderschmidt of the Adjutant General's office has also offered his support since it would reduce agency time as well.

The Kansas Consulting Engineers agree with DOAS that the limit should be updated to \$250,000, saving time for all involved.

I would ask that this bill be approved.



Thaine Hoffman  
Director - Department of Architectural Services





Statement to  
Senate Committee on Ways & Means  
on House Bill-2727  
Friday, March 15, 1996

Mr. Chairman and members of the Committee my name is George Barbee. I am appearing today on behalf of the Kansas Consulting Engineers in support of House Bill-2727.

When this bill was enacted in 1977 it was determined that the process for selecting engineers could be streamlined, for small projects where construction costs were less than \$100,000, if a negotiating committee was not required to convene. This would allow the state agency heads to negotiate contracts without the time consuming delay and cost of conducting interviews with firms. This process has been working well and our industry is comfortable in looking back and observing that the Division of Architectural Services has been fair in negotiating and fair in distributing the awards of design contracts to qualified firms.

This bill simply recognizes that the 1977 figure of \$100,000 needs to be adjusted upward to fit 19 years of inflationary impact. Raising the threshold to \$250,000 would address the inflationary pressure for a few more years during which time it would not be necessary to revisit this issue.

Thank you for the opportunity to appear today in support of this bill as we ask you to report it favorably for action.

If there are any questions, I will be glad to attempt to answer them.

*Senate Ways & Means  
March 15, 1996  
Attachment 6*



Joint Recommendation to the Senate Ways and Means Committee

By  
The Department of Revenue

and  
The Kansas Highway Patrol

To accommodate the needs of both Departments, it is requested that SB 662 be amended. It is requested that the amendments include the following:

1. Amend the bill to establish the title fee at \$7.
2. Amend the bill to reduce the title fee in FY 1997 for the Highway Patrol by \$.50 per title (approximately \$400,000) and dedicate that revenue to the Electronic Databases Fee Fund (identified in HB 3076) in the Department of Revenue for VIPS.
3. Amend the bill for FY 1998 and thereafter to provide that of the \$7 title fee, \$1 per title fee (approximately \$800,000) would be credited to the Electronic Databases Fee Fund. Maintain the current provision in SB 662 of \$2.50 per title fee (\$2 million) to be credited to the Kansas Highway Patrol Motor Vehicle Fund.

These adjustments will provide the Highway Patrol with additional financing to continue its car program and will provide the Department of Revenue with part of the financing to initiate VIPS and CAMA improvements and to make future hardware and software replacements as they are needed.

The monies generated from the Title Fee cannot provide sufficient financing to solve both agency's problems. However, by sharing the revenues available within the existing \$7.00 fee structure and by establishing the provisions in HB 3076, both agencies will be able to react to the immediate concerns. The budget process and the legislative process will provide for the annual review of these programs to ensure the interests of the state are fulfilled.

To respond to the lower revenues, the Kansas Highway Patrol requests that it be released from the earlier agreement that it sell its cars at 70 percent of the original purchase price and remove its cars from the road at a 45,000 mile maximum. Instead, the KHP requests greater flexibility to sell the used vehicles at the maximum the market will allow within a reasonable time-frame to ensure stable cashflow. Also, instead of a 45,000 mile limit, the KHP will increase the maximum to whatever limit is necessary within the financing available during a fiscal year, understanding that a limit in excess of 50,000 will be strenuously avoided. This change will reduce the resale value in some years. Should the program fail to maintain an adequate balance between revenues and expenditures, the agency will return to the Legislature and request that the program be further adjusted.

*Senate Ways & Means  
March 15, 1996  
Attachment 7*

**Kansas Highway Patrol Car Program  
Revised Five-Year Cashflow Analysis**

**Assumptions:**

**Market Rate for Resale Price Increased to an Avg. of 75% of Original Purchase Price**

**Title Fee Rate for FY 1997 Reduced to \$3.00**

**Annual Title Fees Issued = 800,000**

	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
KHP Title Fee Portion	\$3.50	\$3.50	\$3.50	\$3.00	\$2.50	\$2.50	\$2.50
Beginning Balance	0	545,540	313,802	8,652	20,052	190,367	285,477
Title Receipts	2,991,131	3,074,945	2,800,000	2,400,000	2,000,000	2,000,000	2,000,000
Sale of Vehicles	382,795	665,521	1,111,440	1,925,600	3,574,935	3,823,950	4,053,465
Misc.	18,665	1,377	0	0	0	0	0
Total Receipts	3,392,591	4,287,383	4,225,242	4,334,252	5,594,987	6,014,317	6,338,942
Total Expenditures	2,847,051	3,973,581	4,216,590	4,314,200	5,404,620	5,728,840	6,072,560
Balance Forward	545,540	313,802	8,652	20,052	190,367	285,477	266,382

Price Per Vehicle	13,585	15,816	18,333	19,610	20,787	22,034	23,356
Vehicles Purchased		271	230	220	260	260	260
Miles Driven	10,800,000	11,200,000	12,446,800	12,446,800	12,446,800	12,446,800	12,446,800
Mile-out Point			54,117	56,576	47,872	47,872	47,872
Est. Avg. Resale Amt.		2,456	4,832	8,753	13,750	14,708	15,590