

SESSION OF 2004

SUPPLEMENTAL NOTE ON SENATE BILL NO. 392

As Amended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 392, as amended, relates to the purchase of insurance by the Committee on Surety Bonds and Insurance. The bill allows the Committee, outside the competitive bidding statutes and the provisions of the Kansas Open Meetings Act, to enter into contracts for insurance, surety coverage, and consulting services on behalf of state agencies authorized to purchase such services. The Committee must advertise for proposals and negotiate with not less than three firms or other parties submitting proposals. The Director of Purchases must maintain records of the requests for proposals, handle receipt of proposals, and assist the Committee in negotiating procedures and the awarding of contracts.

The Senate Committee amendments remove conflicts created by the bill with other insurance purchasing statutes.

Background

SB 392 was requested by Senator Lana Oleen, who explained that there are savings to the state to be gained by changing the state's sealed bid process to one that is competitive and allows negotiations. The bill is supported by the Kansas Insurance Department, the Department of Administration, and the Kansas Board of Regents.

The fiscal note prepared by the Division of the Budget points out that negotiated procurements are labor intensive but the flexibility of negotiations could result in cost savings to agencies that pay for insurance premiums. The Department of Administration states that any additional administrative costs could be absorbed within its current

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

budget. Savings to the agencies cannot be estimated.