



Testimony on HB 2515
House Committee on Commerce and Economic Development

Paul Graves, Deputy Director
KU Office of Design and Construction Management
January 26, 2012

Chairman Brown and members of the committee, I'm Paul Graves, Deputy Director of Design and Construction Management at the University of Kansas. I appreciate the opportunity to speak in opposition to HB 2515.

The stated purposes of the bill include efficient procurement of goods and services, nondiscriminatory and efficient administration and completion of projects, and fair and open competition for state construction contracts. These aims are already accomplished through existing state statutes and procedures. The requirements in HB 2515 appear to be duplicative and unnecessary.

KU and other state educational institutions benefit from the State Educational Institution Project Delivery Construction Procurement Act, K.S.A. 76-7,125 *et seq.*, enacted by the Legislature in 2009. The Procurement Act enables KU and other institutions to streamline the process of soliciting bids and awarding contracts while still providing open and fair processes. Using the Procurement Act process during the past two years, KU has trimmed months from the procurement process on 38 projects with a combined value of \$40 million. This translates to an estimated \$400,000 of purchasing power that would otherwise have been lost to inflation. The Kansas Board of Regents, KU, and other state educational institutions, along with Kansas chapters of the American Institute of Architects and the American Council of Engineering Companies, support HB 2429 which would remove the June 30, 2012 sunset provision from the Procurement Act in order to continue achieving time savings that prevent erosion of construction funding.

HB 2515 threatens to do away with the efficiencies gained through the Procurement Act. Under HB 2515, contracts over \$100,000 will have to be procured through the Department of Administration; and contracts less than \$100,000 will be subject to Department of Administration review and approval. This is precisely the bureaucracy that the Procurement Act was enacted to avoid.

KU has an efficient, nondiscriminatory, open and fair procurement process that is proven to save time and money. We urge you to vote no on HB 2515 so that – if the Procurement Act sunset is removed – KU and other state educational institutions, the students and communities we serve, and contractors selected through fair and open processes will continue to benefit from the streamlined procurement process. Or as an alternative to that, we would respectfully ask the committee to amend this measure so as not to be in conflict with the cost saving provisions the Legislature has previously granted us.

Thank you for the opportunity to comment in opposition to HB 2515. I stand ready for any questions.