

Approved: February 2, 2006
Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 9:30 A.M. on January 13, 2006, in Room 123-S of the Capitol.

All members were present except:

Senator Jay Emler- excused
Senator Carolyn McGinn- excused
Senator Steve Morris- excused
Senator Vicki Schmidt- excused
Senator Jean Schodorf- excused
Senator Mark Taddiken- excused

Committee staff present:

Jill Wolters, Revisor of Statutes Office
Michael Corrigan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Theresa Klinkenberg, Chief Business and Financial Planning Officer, University of Kansas
Chris Howe, Director, Division of Purchases, Kansas Department of Administration
Gary L. Hibbs, Manager, Facilities Planning, Design and Construction, Kansas Department of Administration
Trudy Aron, Executive Director, American Institute of Architects
Scott Heidner, Executive Director, American Council of Engineering Companies
Reginald L. Robinson, President and CEO, Kansas Board of Kansas

Others attending:

See attached list.

Chairman Umbarger mentioned that information was distributed to the Committee from the Attorney General's Office in response to a question by Senator Barone regarding the Kansas Medicaid Fraud and Abuse Division, Compilation of Prosecution and Restitution Statistics (Attachment 1).

The Chairman opened the public hearing on:

SB 333--State agency purchasing authority; delegation of authority by secretary of administration; deleting \$25,000 limitation

Staff briefed the Committee on the bill.

Chairman Umbarger recognized Theresa Klinkenberg, Chief Business and Financial Planning Officer, The University of Kansas, who testified in support of **SB 333** (Attachment 2). Ms. Klinkenberg explained that The University of Kansas requests the Kansas Legislature to support the Regents' proposal which would permit the State Division of Purchases to delegate additional purchasing authority, at their discretion, to Regents Universities or other state agencies. She noted that all purchases would continue to be made following state procurement laws and best business practices.

The Chairman acknowledged Chris Howe, Director, Division of Purchases, Kansas Department of Administration, who spoke in opposition to **SB 333** (Attachment 3). Mr. Howe explained that the principal objective of the Division of Purchases is to acquire quality goods and services for State agencies at fair and

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 9:30 A.M. on January 13, 2006, in Room 123-S of the Capitol.

reasonable prices. He noted that this is accomplished by utilizing the competitive bid process to consolidate the common needs of all agencies and to leverage that aggregated volume (through the formal bid process) to take advantage of economies of scale and drive prices down. Mr. Howe recommended that the maximum limit for Local Delegated Purchasing Authority at \$25,000 not be removed at this point in time. Copies of the Delegated Authority Granted to Agencies, Division of Purchases, Kansas Department of Administration, effective September 30, 2004, were distributed to the Committee (Attachment 4).

Written testimony was submitted by Reginald L. Robinson, President and CEO, Kansas Board of Regents (Attachment 5).

The Chairman suggested that the proponents and the opponents meet to work together on the details of **SB 333** and to consider buying with entities within Kansas.

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 333**.

Chairman Umbarger opened the public hearing on:

HB 2398--Procedures for convening a negotiating committee for architectural, land surveying and engineering services for state capital improvement projects

Staff briefed the Committee on the bill.

The Chairman recognized Gary L. Hibbs, Manager, Facilities Planning, Design and Construction, Division of Facilities Management, Kansas Department of Administration, who testified in support of **HB 2398** (Attachment 6). Mr. Hibbs explained that the bill raises the statutory limits for requiring a negotiating committee on architectural projects from \$500,000 to \$750,000 and on engineering projects from \$250,000 to \$500,000. He noted that the last time these limits were raised was for architecture in 1990 and 1996 for engineering. Mr. Hibbs mentioned that these increases are essentially an adjustment for inflation and a recognition of the types of projects designed under this provision.

Chairman Umbarger acknowledged Trudy Aron, Executive Director, The American Institute of Architects (AIA), who testified in support of **HB 2398** (Attachment 7). Ms. Aron noted that **HB 2398** increases the construction cost threshold for projects that can be awarded without convening a negotiation committee for each project. She noted that this is a very cost effective and efficient way of providing design services for multiple small projects. In closing, Ms. Aron reported that the AIA Kansas supports **HB 2398**.

Written testimony was submitted by:

Reginald L. Robinson, President and CEO, Kansas Board of Regents (Attachment 8).

Scott Heidner, Executive Director, American Council of Engineering Companies (Attachment 9).

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **HB 2398**.

Copies of the Senate Ways and Means Subcommittee Assignments were distributed (Attachment 10). Chairman Umbarger mentioned that the Subcommittee Chairpersons need to visit with the Fiscal Analyst prior to scheduling the subcommittee meetings.

The meeting adjourned at 10:15 a.m. The next meeting was scheduled for January 17, 2006.