

SESSION OF 2016

SUPPLEMENTAL NOTE ON SENATE BILL NO. 241

As Amended by House Committee on
Appropriations

Brief*

SB 241, as amended, would remove the requirement that state agency contracts or leases extending for a period longer than one year be filed with the Director of Accounts and Reports; the requirement that contracts subject to approval by the Attorney General be countersigned by the Director of Accounts and Reports; and the requirement that orders or requisitions for contractual services be made on a prescribed form unless a purchase order is required for each contracted payment.

The bill would add an exemption to the competitive bid process for vehicle repairs. The bill also would increase the threshold for reporting purchases made without using the competitive bid process from \$5,000 to \$10,000. (These reports, currently, are made on a quarterly basis.)

The bill would modify the bid process to raise the minimum threshold for bids requiring three days notice on a public board from \$5,000 to \$10,000, but would leave the maximum unchanged at \$25,000. Under current law, bid solicitations between \$5,000 and \$25,000 may be made by telephone, fax, or sealed bid.

The bill also would change the authority delegated to the Director of the Division of Purchases, Department of Administration, to increase the amount of purchases permissible by State agencies from \$25,000 to \$50,000. Under the bill, the Director will continue to be required to

*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>

issue monthly reports to the Legislature concerning delegated authority.

Background

The Director of Legislative and Public Affairs for the Department of Administration testified in support of the bill before the Senate Committee on Ways and Means. The Director indicated the bill was a product of the Office of the Repealer and the goal was to remove a redundant contractual cover page requirement after the development of alternative contractual approval procedures in the Statewide Management Accounting and Reporting System (SMART). There was no other testimony.

In the Senate Committee on Ways and Means, the Director of Legislative and Public Affairs, Department of Administration, testified in support of SB 249. The Director indicated use of the competitive bid process for vehicle repairs required the relocation of damaged and non-working vehicles between multiple repair shops that made the repairs economically unfeasible. The Director also indicated raising the minimum thresholds for sealed bids and delegated authority would provide the agency with additional flexibility to conduct its operations but the Department would continue to provide oversight and regulate the procurement process. There was no other testimony on the bill.

The Senate Ways and Means Committee amended SB 249 to clarify that the Director of Purchases may establish conditions and procedures to regulate purchases of less than \$10,000. The Committee also amended the bill to clarify that the Director of Purchases may provide delegated authority to agencies to make purchases in an amount less than \$50,000.

At the House Committee on Appropriations hearing,

The House Committee amended the bill to include the provisions of SB 249 and update the bill to reflect the current fiscal year.

According to the fiscal notes prepared by the Division of the Budget, neither SB 249 or SB 241, as introduced, would have a fiscal effect on agency operations.