

MINUTES

JOINT COMMITTEE ON KANSAS SECURITY

March 15, 2006
Room 519-S—Statehouse

Members Present

Senator Jay Emler, Chairman
Senator Jim Barone
Senator Nick Jordan
Representative Mario Goico
Representative Judith Loganbill
Representative Julie Menghini

Members Absent

Senator Chris Steineger
Senator Carolyn McGinn
Representative Carl Krehbiel
Representative Lee Tafanelli

Staff

Bruce Kinzie, Revisor of Statutes Office
Amy VanHouse, Kansas Legislative Research Department
Ann McMorris, Committee Secretary

Conferees

Laurel Murdie, Legislative Division of Post Audit
Barbara Hinton, Legislative Post Auditor
Colonel William R. Seck, Kansas Highway Patrol
Captain Mark Bruce, Kansas Highway Patrol
Chris Howe, Division of Purchases

Report on Performance Audit

Laurel Murdie, auditor, Legislative Division of Post Audit, briefed the Committee on the findings in the report *Homeland Security: Reviewing Contracts to provide Equipment under the Homeland Security Grant Program (Attachment 1)*.

Ms. Murdie summarized the answers to Question 1—How and why was the contract for equipment under the Homeland Security Grant Program awarded to Fisher Scientific?, and Question 2—Do local law enforcement, fire, and emergency medical services agencies have the option to purchase equipment covered under the contract from Kansas companies? Details were provided on dates the Fisher contract was awarded, renewed and extended, bid provisions, equipment covered under the bid process, third-party vendor purchases and fees charged by Fisher to cover these transactions, and grant moneys.

Conclusions—after it became clear that the amount and types of equipment being purchased were very different from the items originally bid under the lab equipment contract, the Division of Purchases and Highway Patrol should have seriously considered soliciting bids for a new contract for emergency-response equipment. Post Audit could not assess whether the work Fisher may be performing on its end justifies the fees charged on third-party vendor purchases. They also had questions about whether counties are always obtaining the lowest prices from other vendors.

Recommendations by Post Audit

- An analysis should be provided by the Division of Purchases and the Kansas Highway Patrol to the Kansas Security Committee before the end of the 2006 Legislative Session, including:
 - The date that grant moneys will be distributed directly to counties and to the seven Homeland Security regions; and
 - Whether Fisher's prices for various types of equipment represent a significant level of discount from the retail prices of other vendors.
- The Division of Purchases and the Kansas Highway Patrol should immediately negotiate with Fisher for a reduction in fees for these third-party vendor purchases.
- If a satisfactory agreement cannot be reached with Fisher, the Patrol should do the following:
 - Lift its requirement on counties to purchase exclusively through the Fisher contract;
 - Develop or obtain a system for electronically tracking grant purchases made by the counties; and
 - Require counties to obtain, and submit, evidence of competitive bids for grant-funded items.

The Committee members questioned representatives from the Kansas Highway Patrol, Division of Purchases, and Post Audit on various subjects relative to the grant money, the Fisher contract, and equipment catalogs.

A motion was made by Representative Goico, seconded by Senator Barone, to approve the minutes of the February 2, 2006, meeting of the Joint Committee on Kansas Security. Motion carried.

Prepared by Ann McMorris
Edited by Amy VanHouse

Approved by Committee on:

June 23, 2006

(date)