Approved: March 27, 2002

#### MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 11, 2002 in Room 123-S of the Capitol.

All members were present except:

Senator Brungardt

(Excused)

Senator Wagle

(Excused)

Committee staff present:

Sherman Parks, Revisor of Statutes April Holman, Legislative Research Lea Gerard, Committee Secretary

Conferees appearing before the committee:

Leo Vogel, Assistant Director, Purchasing

Others attending:

See attached list.

# Hearings on HB 2719-Amendments to state purchasing statutes:

April Holman, Legislative Research briefed the Committee that <u>HB 2719</u> would amend current law to include electronic forms of bids increasing the threshold amount from \$5,000 to \$10,000 for contracts reported by the Director of Purchases of the Division of Purchases in the Department of Administration. This amendment would eliminate references to the Kansas Performance Review Board and requirements which are not performed any longer and allow the Director of Purchases the option to proceed or not to proceed with the procurement that fails to meet requirements. The bill will allow electronic notification for a request, a proposal or solicitation of bids as part of the procurement process and will permit electronic bids and the posting of notices on the internet for RSP's and bid solicitations. There will be no fiscal impact with passage of the bill.

Leo Vogel, Assistant Director of Purchases, testified in support of <u>HB 2719</u> stating this bill will update the 1953 purchasing statutes and will allow the use of electronic bids, electronic opening of bids, electronic bulletin boards and electronic mail to purchase goods and services for the state (<u>Attachment 1</u>).

The committee questioned Leo Vogel regarding alternations or erasures made to bids. Leo Vogel explained if there are changes or alterations made to the bid after it is opened, it will not be accepted. If the vendor prepares a bid and makes mistakes on that original bid before it is open, those will be accepted.

The committee discussed the detailed report of all contracts over \$5,000. without competitive bids that is prepared by the Director of Purchases each calendar quarter period and if the report is utilized. The report is sent to Leadership, Appropriations and Ways and Means which is reviewed for unusual purchases.

Chairperson Brownlee announced to the committee that she plans on working <u>HB 2719</u> next week and that there is a possibility of placing the contents of eliminating the Kansas Performance Review Board bill into <u>HB 2719</u>. She also indicated the <u>SB 481</u> may be added to <u>HB 2719</u>.

There being no further conferees wishing to testify, the hearing for **HB 2719** was closed.

Senator Barone moved, seconded by Senator Jordan that the minutes of February 21 and 25, 2002 be approved. Motion carried.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for Tuesday, March 12, 2002 at 8:30 a.m.

# SENATE COMMERCE COMMITTEE GUEST LIST

DATE: March 11, 2002

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Stephanie Buchanan	DEPT. OF ADMINISTRATION
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# DEPARTMENT OF ADMINISTRATION

Division of Purchases

### BILL GRAVES

Governor

JOYCE H. GLASSCOCK

Acting Secretary of Administration

JOHN T. HOULIHAN

Director of Purchases 900 S.W. Jackson, Room 102-N Landon State Office Building Topeka, KS 66612-1286 (785) 296-2376 FAX (785) 296-7240 http://da.state.ks.us/purch

#### SENATE COMMITTEE ON COMMERCE TESTIMONY ON HOUSE BILL NO. 2719 March 11, 2002

Madam Chair and members of the committee. I am Leo Vogel, Assistant Director of Purchases. Thank you for the opportunity to speak on behalf of the Department of Administration in support of House Bill No. 2719.

The current purchasing statutes were written in 1953 and require the use of sealed paper bids, bulletin boards and the postal mail system.

House Bill 2719 will update the 1953 purchasing statutes and will allow the use of electronic bids, electronic opening of bids, electronic bulletin boards and electronic mail to purchase goods and services for the state. It also "cleans up" some of the other provisions in the current purchasing statute.

Section 1. (h) has been deleted. This paragraph requires a report by state agencies of stocks of supplies, materials and equipment on hand. This report dates back to the original mission of the Division of Purchases which included managing a central stores operation and transferring supply inventories between state agencies. This mission was deleted in 1972 but the report was not deleted.

Section 2. (a) the requirement to report to the chairperson of the Kansas Performance Review Board is deleted. This board no longer exists.

Section 2. (i) the paragraph on federal grant money is deleted and moved paragraph (i).

Section 2. (n) defines "sealed bids", "bulletin boards" and "mail" to include electronic bids, electronic bulletin boards and electronic mail.

Section 3. (b)(2) deletes paragraph. It is a duplicate of paragraph (3).

Section 3. (c) would allow changes made before the bid is opened and allows the state agencies to cancel the purchase request if all bids for a construction, repair or building improvement are rejected.

This concludes my prepared testimony. I stand for questions.

Senate Commerce Committee
MARCH 11, 2002
Attachment \-\-\