

HOUSE BILL No. 2401

By Committee on Appropriations

2-18

1 AN ACT concerning the department of corrections; authorizing the
2 secretary of corrections to enter agreements for public-private
3 partnerships for projects for new or renovated buildings at correctional
4 institutions for education, skills-building and spiritual needs programs;
5 establishing a nonprofit corporation to receive gifts, donations, grants
6 and other moneys and engage in fundraising projects for funding such
7 projects; amending K.S.A. 75-3739 and repealing the existing section.
8

9 WHEREAS, The Legislature finds that it is in the public's interest to
10 prepare incarcerated persons to be ready to meet Kansas workforce needs
11 when released, by providing education and skills-building programs and
12 services; and

13 WHEREAS, There is a public need for the construction or renovation
14 of facilities that are used predominantly for education and skills-building
15 programs and services for persons housed in adult correctional institutions,
16 to prepare incarcerated persons for employment and successful reentry
17 after incarceration; and

18 WHEREAS, It is in the public interest to authorize, encourage and
19 incentivize public-private partnerships to support projects to raise funds
20 for and construct or renovate buildings to provide space to deliver
21 education and skills-building programs and services; and

22 WHEREAS, It is the intent of the Legislature to encourage investment
23 in the state by private entities, to facilitate various bond financing
24 mechanisms, private capital and other funding sources for constructing and
25 upgrading buildings for education and skills-building programs at
26 correctional institutions and to provide the greatest possible flexibility to
27 public and private entities for entering public-private partnerships for that
28 purpose; and

29 WHEREAS, It is the intent of the Legislature to encourage and enable
30 partnerships with faith-based organizations to address the spiritual needs
31 of incarcerated persons:

32 Now, therefore:

33 *Be it enacted by the Legislature of the State of Kansas:*

34 New Section 1. As used in K.S.A. 75-3739, and amendments thereto,

1 and sections 1 through 5, and amendments thereto:

2 (a) "Private entity" means any partnership, firm, association,
3 corporation, sole proprietorship or other business organization, whether
4 organized for profit or not-for-profit and includes any faith-based
5 organization.

6 (b) "Secretary" means the secretary of corrections.

7 (c) "Public-private partnership" means the relationship established
8 between the department of corrections and a private entity by contracting
9 for the performance of any combination of specified functions or
10 responsibilities to develop, finance, construct or renovate a building at a
11 correctional institution where the department of corrections cost for
12 development, finance, construction or renovation of such building does not
13 exceed 25% of the total cost of the developing, financing, constructing or
14 renovating such building.

15 (d) "Correctional institution" means the Lansing correctional facility,
16 Hutchinson correctional facility, Topeka correctional facility, Norton
17 correctional facility, Ellsworth correctional facility, Winfield correctional
18 facility, Osawatomie correctional facility, Larned correctional mental
19 health facility, Toronto correctional work facility, Stockton correctional
20 facility, Wichita work release facility, El Dorado correctional facility, **any**
21 **juvenile correctional facility or institution as defined in K.S.A. 2020**
22 **Supp. 38-2302, and amendments thereto**, and any other correctional
23 institution established by the state for the confinement of adult **or juvenile**
24 offenders under control of the secretary.

25 (e) "Public-private project" means the project to develop, finance,
26 construct or renovate a building at a correctional institution pursuant to a
27 public-private partnership.

28 (f) "Faith-based organization" means any religious, charitable and
29 other organization as defined by article 17 of chapter 17 of the Kansas
30 Statutes Annotated, and amendments thereto, or any other organization
31 whose values are based on faith and beliefs, or both, that has a mission
32 based on social values of the particular faith and whose members are from
33 a particular faith group.

34 (g) "Spiritual needs" means any program or service that addresses any
35 issue related to sincerely held religious beliefs.

36 New Sec. 2. (a) The secretary is hereby authorized to enter
37 agreements with private entities for public-private project for the purpose
38 of funding new or renovated buildings at a correctional institution for:

39 (1) Education and skills-building programs and services; and

40 (2) purposes of addressing the spiritual needs of incarcerated persons.

41 (b) The secretary shall determine whether the project is suitable for a
42 public-private partnership agreement, by conducting an analysis of the
43 feasibility, desirability and the convenience to the public of the project and

1 whether the project furthers the public policy goals of the department of
2 corrections. The secretary shall consult with the secretary of administration
3 for input from the office of facilities and property management when
4 conducting such analysis.

5 (c) Prior to commencement of a public-private project, the secretary
6 shall advise and consult with the joint committee on state building
7 construction concerning such project, including the budget for such
8 project.

9 (d) Nothing in this act shall be construed to mean that a public-private
10 partnership may be established for the purpose of developing, financing or
11 construction of a privately operated correctional institution.

12 (e) The secretary may request approval for the issuance of bonds for a
13 public-private project from the department of administration for the
14 purposes of K.S.A. 74-8905(b), and amendments thereto, and the
15 authorization of the issuance of bonds by the Kansas development finance
16 authority in accordance with K.S.A. 74-8905, and amendments thereto.

17 ***(f) The secretary shall submit to the house of representatives***
18 ***committee on corrections and juvenile justice and the senate committee***
19 ***on judiciary at the beginning of the regular session of the legislature in***
20 ***2022 and annually thereafter a report of the following: Status of any***
21 ***public-private project entered into; funds raised for the education, skills-***
22 ***building and spiritual needs programs and services; buildings renovated***
23 ***or constructed for such programs or services; names of all education***
24 ***and skills-building program and service providers; brief description of***
25 ***the programs and services offered; number of inmates enrolled in an***
26 ***education or skills-building program or service; and graduation or***
27 ***completion outcomes of each education or skills-building program or***
28 ***service.***

29 New Sec. 3. (a) For any proposed public-private project, the secretary
30 shall cause to be prepared a budget for the project.

31 (b) The budget shall reflect the source of the funds and set out with
32 particularity the full cost of construction and acquisition of such project.
33 The budget may, but is not required to, include operational costs of such
34 project.

35 (c) The secretary shall include any department of corrections costs for
36 such projects in budget estimates pursuant to K.S.A. 75-3717 and 75-
37 3717b, and amendments thereto, and clearly indicate the portion to be paid
38 by the state and the portion to be paid by private funds.

39 (d) The secretary is authorized to establish a nonprofit corporation
40 organized under section 501(c)(3) of the internal revenue code of 1986.
41 The board of directors of the nonprofit corporation shall consist of
42 representatives of the department of corrections and department of
43 administration. The purpose of the nonprofit corporation shall be to

1 receive gifts, donations, grants and other moneys and engage in
2 fundraising to fund new or renovated building projects for education,
3 skills-building and spiritual needs programs at any correctional institution.

4 New Sec. 4. (a) In any public-private partnership, the secretary shall
5 ensure the private entity is qualified to carry out the project, including, but
6 not limited to, ensuring that the private entity:

7 (1) Has available such lawful sources of funding, capital, securities or
8 other financial resources as are necessary to carry out the project;

9 (2) possesses either through its staff, subcontractors, a consortium or
10 joint venture agreement the managerial, organizational, technical capacity
11 and experience in the type of project undertaken;

12 (3) is qualified to lawfully conduct business in Kansas;

13 (4) certifies that no director, officer, partner, owner or other individual
14 with direct and significant control over the policy of the private entity has
15 been convicted of corruption or fraud in any jurisdiction of the United
16 States;

17 (5) maintains a policy of public liability insurance, a copy of which
18 shall be provided to the secretary; and

19 (6) agrees to abide by all relevant local, state and federal laws, rules
20 and regulations.

21 (b) In any public-private partnership, the secretary shall enter an
22 agreement that reflects the roles, duties, responsibilities and commitments
23 of all parties. The agreement shall include, but not be limited to:

24 (1) A clear statement: Of the purpose and scope of the project; of the
25 roles and responsibilities of each party; that the private entity does not gain
26 sovereign immunity by the agreement; and that each party bears liability
27 and responsibility for the actions of such party's agents and employees;

28 (2) procedures that govern the rights and responsibilities of the public
29 and private entities during the construction of the building and in the event
30 of the termination of the agreement or a material default;

31 (3) a description of how the project will be carried out consistent with
32 all standards binding on the state, department of corrections and
33 correctional institution where the building is being constructed or
34 renovated;

35 (4) a budget for the project that reflects source of funding and costs;

36 (5) a statement that upon completion, the buildings will be owned by
37 the state; and

38 (6) a statement reflecting that maintenance and operations costs shall
39 be the responsibility of the state after the building is completed.

40 New Sec. 5. (a) This act does not waive the sovereign immunity of
41 the State of Kansas.

42 (b) This act does not create sovereign immunity for any private entity
43 entering a public-private partnership under this act.

1 Sec. 6. K.S.A. 75-3739 is hereby amended to read as follows: 75-
2 3739. In the manner as provided in this act and rules and regulations
3 established thereunder:

4 (a) All contracts for construction and repairs; and all purchases of and
5 contracts for supplies, materials, equipment and contractual services to be
6 acquired for state agencies shall be based on competitive bids, except that
7 competitive bids need not be required in the following instances:

8 (1) For contractual services, supplies, materials; or equipment when,
9 in the judgment of the director of purchases, no competition exists;

10 (2) when, in the judgment of the director of purchases, chemicals and
11 other material or equipment for use in laboratories or experimental studies
12 by state agencies are best purchased without competition, or where rates
13 are fixed by law or ordinance;

14 (3) when, in the judgment of the director of purchases, an agency
15 emergency requires immediate delivery of supplies, materials or
16 equipment, or immediate performance of services;

17 (4) when any statute authorizes another procedure or provides an
18 exemption from the provisions of this section;

19 (5) when compatibility with existing contractual services, supplies,
20 materials or equipment is the overriding consideration;

21 (6) when a used item becomes available and is subject to immediate
22 sale; ~~or~~

23 (7) when, in the judgment of the director of purchases and the head of
24 the acquiring state agency, not seeking competitive bids is in the best
25 interest of the state; *or*

26 (8) *when a public-private partnership between the secretary of*
27 *corrections and a private entity exists for any public-private project to*
28 *develop, finance, construct or renovate a building at a correctional*
29 *institution, provided state funds do not exceed 25% of the total cost. The*
30 *provisions of this paragraph shall not apply to the procurement process*
31 *established in K.S.A. 75-5801 et seq., and amendments thereto, regarding*
32 *engineering services. As used in this paragraph, "public-private*
33 *partnership," "private entity" and "public-private project" mean the same*
34 *as defined in section 1, and amendments thereto.*

35 When the director of purchases approves a purchase of or contract for
36 supplies, materials, equipment, or contractual services in any instance
37 specified in this subsection, the director may delegate authority to make
38 the purchase or enter the contract under conditions and procedures
39 prescribed by the director. Except for purchases or contracts entered into
40 without a competitive bid under subsection (a)(3), (a)(4), (a)(6) or
41 subsection (h), no purchase or contract entered into without a competitive
42 bid for an amount in excess of \$100,000 shall be entered into by the head
43 of any state agency or approved by the director of purchases unless the

1 director of purchases first posts an on-line notice of the proposed purchase
2 or contract at least seven days before the purchase or contract is awarded.
3 The director of purchases shall provide notice thereof to members of the
4 legislature at the beginning of each calendar year that such information
5 will be posted and the director of the division of purchases shall provide
6 the uniform resource locator (URL) and the number of times such
7 information shall be available. In the event a written protest of the
8 awarding of such a contract occurs during the seven-day notice period, the
9 director of purchases shall request from the protestor the contact
10 information, including name and mailing address, of the person or entity
11 that has expressed an interest in supplying the goods or services and
12 provide a copy of the specification to the person or entity that has
13 expressed an interest in supplying the goods or services and verify that
14 such person or entity is interested and capable of supplying such goods or
15 services.

16 Upon satisfaction of the director of purchases regarding the validity of
17 the protest and the existence of competition, the director of purchases shall
18 proceed with a competitive procurement. A competitive procurement shall
19 not be required when, in the judgment of the director of purchases, the
20 validity of the protest cannot be determined or competition for such goods
21 or services cannot be verified by the director of purchases.

22 The director of purchases shall prepare a detailed report at least once in
23 each calendar quarter of all contracts over \$5,000 entered into without
24 competitive bids under subsection (a)(1), (2), (3), (5), (6)~~or~~, (7) or (8).
25 The director shall submit the report to the legislative coordinating council,
26 the chairperson of the committee on ways and means of the senate and the
27 chairperson of the committee on appropriations of the house of
28 representatives.

29 (b) (1) If the amount of the purchase is estimated to exceed \$50,000,
30 sealed bids shall be solicited by notice published once in the Kansas
31 register not less than 10 days before the date stated in the notice for the
32 opening of the bids. The director of purchases may waive this publication
33 of notice requirement when the director determines that a more timely
34 procurement is in the best interest of the state. The director of purchases
35 also may designate a trade journal for the publication. The director of
36 purchases also shall solicit such bids by sending notices by mail to
37 prospective bidders and by posting the notice on a public bulletin board for
38 at least 10 business days before the date stated in the notice for the
39 opening of the bids unless otherwise provided by law. All bids shall be
40 sealed when received and shall be opened in public at the hour stated in
41 the notice.

42 (2) The director of purchases shall prepare a detailed report at least
43 once in each calendar quarter of all instances in which the director waived

1 publication of the notice of bid solicitations in the Kansas register as
2 provided in this subsection. The director shall submit the report to the
3 legislative coordinating council, the chairperson of the committee on ways
4 and means of the senate and the chairperson of the committee on
5 appropriations of the house of representatives.

6 (c) All purchases estimated to exceed approximately \$25,000 but not
7 more than \$50,000, shall be made after receipt of sealed bids following at
8 least three days' notice posted on a public bulletin board.

9 (d) All purchases estimated to be more than \$5,000, but less than
10 \$25,000, may be made after the receipt of three or more bid solicitations
11 by telephone, telephone facsimile or sealed bid, following at least three
12 days' notice posted on a public bulletin board. Such bids shall be recorded
13 as provided in subsection (f) of K.S.A. 75-3740, and amendments thereto.
14 Any purchase that is estimated to be less than \$5,000 may be purchased
15 under conditions and procedures prescribed by the director of purchases.
16 Purchases made in compliance with such conditions and procedures shall
17 be exempt from other provisions of this section.

18 (e) With the approval of the secretary of administration, the director
19 of purchases may delegate authority to any state agency to make purchases
20 of less than \$25,000 under certain prescribed conditions and procedures.
21 The director of purchases shall prepare a report at least once in each
22 calendar quarter of all current and existing delegations of authority to state
23 agencies as provided in this subsection. The director shall submit the
24 report to the legislative coordinating council, the chairperson of the
25 committee on ways and means of the senate and the chairperson of the
26 committee on appropriations of the house of representatives.

27 (f) Subject to the provisions of subsection (e), contracts and
28 purchases shall be based on specifications approved by the director of
29 purchases. When deemed applicable and feasible by the director of
30 purchases, such specifications shall include either energy efficiency
31 standards or appropriate life cycle cost formulas, or both, for all supplies,
32 materials, equipment and contractual services to be purchased by the state.
33 The director of purchases may reject a contract or purchase on the basis
34 that a product is manufactured or assembled outside the United States. No
35 such specifications shall be fixed in a manner to effectively exclude any
36 responsible bidder offering comparable supplies, materials, equipment or
37 contractual services.

38 (g) Notwithstanding anything herein to the contrary, all contracts with
39 independent construction concerns for the construction, improvement,
40 reconstruction and maintenance of the state highway system and the
41 acquisition of rights-of-way for state highway purposes shall be advertised
42 and let as now or hereafter provided by law.

43 (h) The director of purchases may authorize state agencies to contract

1 for services and materials with other state agencies, or with federal
2 agencies, political subdivisions of Kansas, agencies of other states or
3 subdivisions thereof, or private nonprofit educational institutions, without
4 competitive bids.

5 (i) The director of purchases may participate in, sponsor, conduct, or
6 administer a cooperative purchasing agreement or consortium for
7 purchases of supplies, materials, equipment, and contractual services with
8 federal agencies or agencies of other states or local units of government.
9 Cooperative purchasing agreements entered into under this subsection
10 shall not be subject to K.S.A. 75-3739 through 75-3740a, and amendments
11 thereto.

12 (j) The director of purchases may delegate authority to any state
13 agency to make purchases under certain prescribed conditions and
14 procedures when the acquisition is funded, in whole or in part, from a
15 grant. Except as otherwise provided in subsection (k) ~~of this section~~,
16 purchases made in compliance with such conditions and procedures shall
17 be exempt from other provisions of this section. As used in this subsection
18 the term "grant" means a disbursement made from federal or private funds,
19 or a combination of these sources, to a state agency. Nothing in this
20 subsection shall allow federal grant moneys to be handled differently from
21 any other moneys of the state unless the requirements of the applicable
22 federal grant specifically require such federal moneys to be handled
23 differently.

24 (k) The director of purchases shall prepare a detailed report at least
25 once each calendar quarter of all contracts over \$5,000 for services,
26 supplies, materials or equipment entered into pursuant to subsection (h), (i)
27 or (j) and submit it to the legislative coordinating council, the chairperson
28 of the committee on ways and means of the senate and the chairperson of
29 the committee on appropriations of the house of representatives.

30 (l) Except as otherwise specifically provided by law, no state agency
31 shall enter into any lease of real property without the prior approval of the
32 secretary of administration. A state agency shall submit to the secretary of
33 administration such information relating to any proposed lease of real
34 property as the secretary may require. The secretary of administration shall
35 either approve, modify and approve or reject any such proposed lease.

36 (m) The director of purchases shall require all bidders on state
37 contracts to disclose all substantial interests held by the bidder in the state.

38 (n) As used in article 37 of chapter 75 of the Kansas Statutes
39 Annotated, and amendments thereto, and other statutory provisions
40 concerning state procurement, "sealed bids," "bulletin boards" and "mail"
41 shall include electronic bids, electronic bulletin boards and electronic mail
42 when such items are utilized in accordance with procedures prescribed by
43 the director of purchases.

1 Sec. 7. K.S.A. 75-3739 is hereby repealed.

2 Sec. 8. This act shall take effect and be in force from and after its
3 publication in the statute book.