

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY COMMITTEE

The meeting was called to order by Representative Mike Burgess, Chair, at 3:40 p.m. on February 8, 2011, in Room 546-S of the Capitol.

All members were present except:

Rep. Judith Loganbill – Excused
Rep. Charles Roth -- Excused

Committee staff present:

Iraida Orr, Legislative Research
Katherine McBride, Revisor of Statutes
Renae Jefferies, Revisor of Statutes
Linda Herrick, Committee Assistant

Conferees appearing before the Committee:

Chris Howe, Director of Purchases, State of Kansas
Marilyn Jacobson, Director, Finance and Facilities Management

Others attending:

(see attached list)

Since the House Session was extended, this committee meeting was convened a little later in order to allow committee members ample time to arrive. Chair Burgess noted that the introduction of bills deadline has passed. If there are any ideas for bills, let him know and those might be pursued through an exempt committee. Bill hearings are being scheduled for next week.

Chair Burgess welcomed Chris Howe, Director of Purchases for the State of Kansas, who explained procurement procedures for state agencies. Mr. Howe introduced two procurement officers, who accompany him today, Jill Martin and Jerry Clements. Mr. Howe covered two documents, The Procurement “Food Chain” and Components of the Procurement Process (Attachment 1), which are used to describe processes when talking to state agencies or vendors. Mr. Howe then addressed the components of the procurement process.

Mr. Howe answered various questions from committee members:

- In addition to casinos, all regents are exempt from purchasing guidelines as of July 2010 per KSA 77-769.
- School districts are not covered under these purchasing guidelines. The state purchases for some school consortiums (Greenbush and Smoky Hills). There are other agencies, independent municipalities, that are exempt and post some of their transactions on the web site. Mr. Howe will provide a list of those agencies.
- As for showing preference to Kansas versus out-of-state bids, by statute, the only preference that State Purchasing is allowed to give is to break a tie bid. Through a study several years ago, results indicate 60% of business is done with Kansas vendors. The Kansas Small Business Procurement Act was allowed to sunset in 1988. With the new financial management system, Kansas businesses and new vendors can be identified. A report in 2009 indicated the state spends \$75 million with small minority owned businesses who identified themselves to State Purchasing.
- Land purchases are agency-specific.
- In regard to the Air Mark contract mentioned just recently, Mr. Howe noted this vendor has performed well, and we were answering a budget situation.
- In regard to computer purchasing, the state has partnered with the Western States Contracting Alliance, and Kansas, along with other states, combine for buying power. Purchasing is working to get agencies to think globally to drive licensing costs down.
- The Division of Facilities Management and the Division of Budget work together on setting parameters for replacing state vehicles.
- In regard to long-term vehicle rentals, these are handled by Facilities Management. Ms. Jacobson, Facilities Management, noted that on a quarterly basis, rental issues are addressed. Sometimes, there are extended vehicle rentals if a vehicle needs extensive body work or if a vehicle is totaled.
- State Purchasing has monthly contract development meetings. Mr. Howe indicated they are working on enhancing training to work one-on-one with state agencies to review “food chain” documents. There are other states that have certified purchasers, and Mr. Howe indicated State Purchasing is working on a more intense training program.
- Mr. Howe noted that his staff is trying to make their information more broadly available (state agencies, school districts, etc.) to utilize State Purchasing pricing and contracts to build economy of scale and to drive down prices.

Chair Burgess thanked Mr. Howe for his presentation.

The chair asked if there was any other business, and there was none. The next meeting is scheduled for Wednesday, February 9, 2011. The meeting was adjourned at 4:36 p.m.