

As Amended by House Committee

Session of 2011

SENATE BILL No. 115

By Committee on Ways and Means

2-7

1 AN ACT ~~repealing K.S.A. 75-5002 and 75-5003, relating to the highway~~
2 ~~advisory commission concerning state agencies and other public~~
3 **bodies; amending K.S.A. 75-3715 and 75-3716 and K.S.A. 2010**
4 **Supp. 74-72,123 and repealing the existing sections; also repealing**
5 **K.S.A. 75-5002 and 75-5003.**
6

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

8 **New Section 1. (a) The legislature finds that performance**
9 **measures are an important management tool that has been utilized by**
10 **state agencies for numerous years.**

11 **(b) The legislature finds that the use of quantifiable performance**
12 **measures can be used by the governor and the legislature to assess the**
13 **effectiveness over time of programs and actions of each state agency.**
14

15 **New Sec. 2. As used in sections 1 through 3, and amendments**
16 **thereto:**

17 **(a) "State agency" shall be defined as set forth in K.S.A. 75-3049,**
18 **and amendments thereto, except that the university of Kansas hospital**
19 **authority shall not be included in such definition for the purposes of**
20 **sections 1 through 3, and amendments thereto; and**

21 **(b) "performance measures" means a quantitative or qualitative**
22 **indicator used to assess state agency performance, including outcome**
23 **and output indicators.**

24 **New Sec. 3. (a) Each state agency shall consult with a**
25 **representative of the department of legislative research and the**
26 **director of the budget or the director's designee to modify each**
27 **agency's performance measures to standardize those performance**
28 **measures and to utilize best practices across all state agencies.**

29 **(b) On or before October 1 of each year, each state agency shall**
30 **submit an annual report based on those performance measures to the**
31 **legislative budget committees, the director of the budget and the**
32 **secretary of administration.**

33 **(c) The required reports in subsection (b) sent to the department**
34 **of administration shall be posted on the website created pursuant to**
35 **K.S.A. 2010 Supp. 74-72,123, and amendments thereto.**

1 **New Sec. 4. Sections 1 through 3, and amendments thereto, shall**
2 **be part of and supplemental to article 30 of chapter 75 of the Kansas**
3 **Statutes Annotated, and amendments thereto.**

4 **Sec. 5. K.S.A. 2010 Supp. 74-72,123 is hereby amended to read as**
5 **follows: 74-72,123. (a) As used in the Kansas taxpayer transparency**
6 **act:**

7 **(1) "Searchable website" means a website that allows the public**
8 **to search and aggregate the information identified in subsection (b)**
9 **including requirements that the website offer the public the ability to**
10 **efficiently search and display data, and ascertain the total amounts of**
11 **revenues and expenditures (A) of funds established within the state**
12 **treasury in an aggregate or summary form in a manner determined by**
13 **the secretary of administration, (B) of compensation paid to public**
14 **employees employed by state agencies, and (C) of bond debt as**
15 **specified in this act.**

16 **(2) "Agency" means any entity or instrumentality of the state of**
17 **Kansas as defined in K.S.A. 75-3701, and amendments thereto, and**
18 **any other entity or instrumentality delegated statutory authority by**
19 **the legislature to issue bonds and to collect revenue for the purpose of**
20 **repaying bonds issued under authority delegated by statute.**

21 **(3) "Board" means the public finance transparency board.**

22 **(b) No later than March 1, 2009, the secretary of administration**
23 **shall develop and operate a single, searchable website accessible by the**
24 **public at no cost to access, that includes:**

25 **(1) Annual expenditures, as determined by the secretary of**
26 **administration and as available within the central accounting system**
27 **and state payroll system, shall include, but not be limited to:**

28 **(A) Disbursements by any state agency from funds established**
29 **within the state treasury;**

30 **(B) bond debt payments;**

31 **(C) salaries and wages including, but not limited to,**
32 **compensation paid to individual employees of state agencies;**

33 **(D) contractual services including, but not limited to, amounts**
34 **paid to individual vendors;**

35 **(E) commodities including, but not limited to, amounts paid to**
36 **individual vendors;**

37 **(F) capital outlay including, but not limited to, amounts paid to**
38 **individual vendors;**

39 **(G) debt service including, but not limited to, amounts of bond**
40 **interest paid and sources of funds paid for individual bond issues;**

41 **(H) aid to local units including, but not limited to, amounts paid**
42 **to individual units of government for individually identifiable aid**
43 **programs;**

1 (I) other assistance and benefits;

2 (J) capital improvements including, but not limited to, amounts
3 of bond principal paid and sources of funds paid for individual bond
4 issues; and

5 (K) tax expenditures as reported by the secretary of revenue in
6 the annual tax expenditure report.

7 (2) Annual revenues, as determined by the secretary of
8 administration and as available within the central accounting system,
9 shall include, but not be limited to:

10 (A) Receipts or deposits by any state agency into funds
11 established within the state treasury;

12 (B) taxes including, but not limited to, compulsory contributions
13 imposed by the state for the purpose of financing services;

14 (C) agency earnings including, but not limited to, amounts
15 collected by each agency for merchandise sold, services performed,
16 licenses and permits issued, or regulation;

17 (D) revenue for the use of money and property including, but not
18 limited to, amounts received for compensation for the use of state-
19 owned money and property;

20 (E) gifts, donations and federal grants including, but not limited
21 to, amounts received from public and private entities to aid in support
22 of a specific function or other governmental activity;

23 (F) other revenue including, but not limited to, receipts not
24 classified elsewhere; and

25 (G) non-revenue receipts including, but not limited to, all receipts
26 that do not constitute revenue.

27 (3) Annual bonded indebtedness which shall include, but not be
28 limited to the amount of the total original obligation stated in terms of
29 principal and interest, the term of the obligation, the source of funding
30 for repayment of the obligation, the amounts of principal and interest
31 previously paid to reduce the obligation, the balance remaining of the
32 obligation, any refinancing of the obligation, and the cited statutory
33 authority to issue such bonds.

34 (4) *The annual performance measures report of each state agency as*
35 *required pursuant to section 3, and amendments thereto.*

36 ~~(4)-(5)~~ Any other relevant information specified by the secretary
37 of administration after consulting with and seeking the advice of the
38 public finance transparency board as established in K.S.A. 2010 Supp.
39 74-72,124, and amendments thereto.

40 (c) The single website provided for in subsection (b) of this section
41 shall include data for fiscal year 2003 and each fiscal year thereafter.
42 The website shall be designed so that such data shall be retained on
43 the single website for not less than 10 years and shall include data for

1 the most recent fiscal years. Data that is available in the central
2 accounting system and state payroll system shall be on the single
3 website as soon as possible, but not later than 45 days after the last
4 day of the preceding fiscal year. The secretary of administration shall
5 develop policies and procedures to make data available from any other
6 source. Nothing in this act shall require the secretary of
7 administration to provide information on the website that is not
8 available in the central accounting system and the state payroll system
9 at the time of initial implementation of the website. After
10 implementation of the initial website, the public finance transparency
11 board shall advise the secretary of administration on incorporating
12 additional information described by this act from any other source of
13 information available to the secretary of administration including
14 information submitted by state agencies pursuant to subsection (d) of
15 this section.

16 (d) Any state agency shall provide, at the request of the secretary
17 of administration, such information as is necessary to accomplish the
18 purposes of this act.

19 (e) Nothing in this act shall permit or require the disclosure of
20 information which is considered confidential by state or federal law.

21 Sec. 6. K.S.A. 75-3715 is hereby amended to read as follows: 75-
22 3715. The director of the budget shall:

23 (a) Keep in continuous touch with the operations, plans and needs
24 of state agencies, and with the sources and amounts of revenue and
25 other receipts of the state;

26 (b) analyze the quantity and quality of services rendered by each
27 agency, and the needs for such services and for any new services;

28 (c) prepare under the supervision of the incoming governor, the
29 budget report for submission to the legislature;

30 (d) prepare a legislative measure or measures reflecting the
31 incoming governor's budget;

32 (e) consider and act on applications for transfers between
33 appropriations of the same agency as provided by law;

34 (f) survey such work programs and periodical allotment requests
35 submitted by state agencies as are required by this act;

36 (g) report to the governor and to the incoming governor on the
37 operation of the budget system and advise and assist the governor,
38 incoming governor, state finance council, legislature and its ways and
39 means and appropriations committees on request, concerning any
40 matters relating to the budget; and

41 (h) provide management analysis service to state agencies-;

42 (i) *consult with each state agency and a representative of the*
43 *legislative research department to modify each agency's performance*

1 *measures to standardize those performance measures and to utilize best*
2 *practices across all state agencies.*

3 **Sec. 7. K.S.A. 75-3716 is hereby amended to read as follows: 75-**
4 **3716. The director of the budget shall prepare the budget report, with**
5 **the related legislative measure or measures, for the incoming**
6 **governor's approval and submission to the legislature. The director of**
7 **the budget shall, on or before September ~~first~~ 1 of each year, furnish to**
8 **every state agency or person authorized to spend or receive state funds**
9 **a sufficient number of budget estimate forms. The forms shall be**
10 **prepared by the director of the budget and shall be so designed as to**
11 **show actual expenditures for at least the last preceding completed**
12 **fiscal year, estimated expenditures for the current fiscal year, and**
13 **requests for each succeeding fiscal year, and data for like periods with**
14 **respect to receipts and actual or estimated balances at the end of such**
15 **fiscal years.**

16 **The director of the budget may require the estimated expenditures**
17 **to be classified so as to set forth the data by funds, state agencies,**
18 **character and objects of expenditures, which expenditures may also be**
19 **required to be classified by functions and activities. The director of the**
20 **budget may require the revenue estimates to show the basis upon**
21 **which the estimates were made and the factors involved in the same,**
22 **and to be classified so as to show receipts by funds, and sources and**
23 **types of income. The director of the budget may require such further**
24 **detail, work programs, supplemental and supporting data, and such**
25 **information as may be necessary to carry out the provisions of this**
26 **act.**

27 *The director shall also consider the annual performance measures*
28 *reports submitted to the director pursuant to section 3, and amendments*
29 *thereto.*

30 **New Sec. 8. Sections 8 through 22, and amendments thereto,**
31 **shall be known and may be cited as the Kansas advisory council on**
32 **privatization and public-private partnerships act.**

33 **New Sec. 9. (a) For the purposes of sections 1 through 4, and**
34 **amendments thereto, it is the public policy of this state to provide the**
35 **highest quality services at the lowest possible cost to taxpayers.**
36 **Efficiency can only be achieved, however, if decisions about how**
37 **government services are provided are governed by the following**
38 **fundamental principles:**

39 **(1) The state government should not compete with private**
40 **businesses that provide the same goods and services;**

41 **(2) the state government should not replicate, duplicate or**
42 **compete with not-for-profit organizations that provide the same goods**
43 **and services;**

1 **(3) the state government should not replicate, duplicate or**
2 **compete with the federal government or local units of government that**
3 **provide the same goods and services;**

4 **(4) there are certain functions and operations of state government**
5 **that are inherently governmental and cannot be outsourced, and these**
6 **activities are intimately related to the public interest; and**

7 **(5) when activities are clearly not governmental functions and**
8 **operations, the state government should conduct a rigorous**
9 **comparison of private business or not-for-profit organizational costs**
10 **with the costs of the state government providing those functions and**
11 **operations.**

12 **(b) The purpose of the Kansas advisory council on privatization**
13 **and public-private partnerships is:**

14 **(1) To ensure that each state agency focuses on its core mission,**
15 **and delivers goods and services effectively and efficiently by**
16 **leveraging resources and contracting with private business suppliers**
17 **or not-for-profit organizations if those entities can more effectively**
18 **and efficiently provide such goods and services thereby reducing the**
19 **cost of government while expanding those services to the greatest**
20 **number of citizens;**

21 **(2) to develop a comprehensive and detailed process to analyze**
22 **opportunities to improve the efficiency, cost-effectiveness and quality**
23 **of state governmental services, operations, functions and activities;**
24 **and**

25 **(3) to evaluate for feasibility, cost-effectiveness and efficiency,**
26 **business cases that potentially could be outsourced and make**
27 **recommendations to state agencies prior to the outsourcing of goods or**
28 **services.**

29 **New Sec. 10. As used in sections 8 through 22, and amendments**
30 **thereto:**

31 **(a) “Activity” means the provision of goods or services or the**
32 **performance of any function or operation by a state agency.**

33 **(b) “Affiliated” means a person who directly or indirectly**
34 **through one or more intermediaries, controls or is controlled by, or is**
35 **under common control with, a specified entity.**

36 **(c) “Business case” means any proposal to outsource a state**
37 **agency activity or eliminate replication or duplication of a state**
38 **agency activity and operations carried out by a private business, not-**
39 **for-profit organization or other government agency.**

40 **(d) “Contractor” means any private business or not-for-profit**
41 **organization that contracts with a state agency to perform an activity**
42 **previously performed by such state agency.**

43 **(e) “State agency” means any department, authority, office or**

1 other governmental agency, including the board of regents and any
2 postsecondary educational institution, of this state. The term shall not
3 include any political subdivision of the state, municipality or other
4 unit of local government.

5 New Sec. 11. (a) There is hereby created a body politic and
6 corporate to be known as the Kansas advisory council on privatization
7 and public-private partnerships. The Kansas advisory council on
8 privatization and public-private partnerships is hereby constituted a
9 public instrumentality and the exercise of the authority and powers
10 conferred by the Kansas advisory council on privatization and public-
11 private partnerships act shall be deemed and held to be the
12 performance of an essential governmental function.

13 (b) The council shall consists of 11 members as follows:

14 (1) One member, who shall be either the lieutenant governor or
15 the chief executive of a state agency, who shall be appointed by the
16 governor;

17 (2) two members, who shall be engaged in private business and
18 are not members of the legislature, appointed by the governor;

19 (3) three members, who shall be engaged in private business and
20 only one of whom may be a member of the legislature, appointed by
21 the president of the senate;

22 (4) three members, who shall be engaged in private business and
23 only one of whom may be a member of the legislature, appointed by
24 the speaker of the house of representatives;

25 (5) one member, who shall be engaged in private business and who
26 shall not be a member of the legislature, appointed by the minority
27 leader of the senate; and

28 (6) one member, who shall be engaged in private business and
29 who shall not be a member of the legislature, appointed by the
30 minority leader of the house of representatives.

31 (c) Members shall be subject to confirmation by the senate as
32 provided in K.S.A. 75-4315b, and amendments thereto. Except as
33 provided by K.S.A. 46-2601, and amendments thereto, no person
34 appointed to the council shall exercise any power, duty or function as a
35 member of the council until confirmed by the senate.

36 (d) Members shall serve for a term of two years. Terms of
37 members appointed pursuant to this section shall expire on March 15.
38 In the case of the member who is a state official, such member shall
39 serve for a term of two years, or until such member ceases to hold
40 public office, whichever occurs first. Members shall serve until a
41 successor is appointed and confirmed.

42 (e) After the expiration of a member's term, or whenever a
43 vacancy occurs a member shall be appointed as described in

1 subsection (a). In the event of a vacancy the appointment shall be for
2 the remainder of the unexpired portion of the term. Any member is
3 eligible for reappointment for successive two-year terms.

4 (f) No member shall appoint a designee to serve in such member's
5 place on the council.

6 (g) The council shall annually elect a member as chairperson. The
7 member appointed pursuant to paragraph (a)(1) and any member
8 who is a member of the legislature is not eligible to serve as
9 chairperson.

10 (h) The council shall meet at least four times a year at the call of
11 the chairperson. A quorum shall consist of a majority of the members
12 of the council.

13 (i) Members attending council meetings shall be entitled to
14 compensation and expenses as provided in K.S.A. 75-3223, and
15 amendments thereto.

16 **New Sec. 12.** In order to achieve its purpose as provided in the
17 Kansas advisory council on privatization and public-private
18 partnerships act, the council shall:

19 (1) Review and evaluate the possibility of outsourcing goods or
20 services provided by a state agency to a private business or not-for-
21 profit organization that is able to provide the same type of good or
22 service and whether such action would result in cost savings to the
23 state;

24 (2) review and evaluate the possibility of outsourcing operations
25 or functions of a state agency to a private business or not-for-profit
26 organization that is able to more efficiently and cost-effectively
27 perform such operation or function;

28 (3) review and evaluate instances where a state agency is
29 providing goods or services in competition with one or more private
30 businesses to determine ways to eliminate such competition;

31 (4) review and evaluate instances where a state agency is
32 providing goods or services that replicate, duplicate or compete with
33 one or more not-for-profit organizations or federal or local units of
34 government;

35 (5) make any requests it deems necessary to state agencies for an
36 inventory of such agency's activities that may be outsourced, or that
37 compete with, replicate or duplicate activities provided by private
38 entities or federal or local units of government;

39 (6) develop and implement a standard process for reviewing
40 business cases pursuant to the Kansas advisory council on
41 privatization and public-private partnerships act;

42 (7) make recommendations to state agencies regarding the
43 outsourcing of operations, functions and the provision of goods and

1 services based on the council’s review and evaluation of business cases
2 pursuant to the Kansas advisory council on privatization and public-
3 private partnerships act; and

4 (8) identify and distribute information regarding the best
5 practices in outsourcing efforts to state agencies.

6 (b) The council may appoint advisory groups, provided, at least
7 one member of the council is appointed to each such group.

8 (c) The council shall annually prepare and submit a report to the
9 governor, the committee on ways and means of the senate and the
10 committee on appropriations of the house of representatives. The
11 report shall be submitted no later than January 15, and shall contain
12 details of the council’s activities for the immediately preceding year
13 and include the following:

14 (1) Recommendations on methods of delivering government
15 services that would improve the efficiency, effectiveness and delivery
16 of government services;

17 (2) outsourcing efforts of state agencies, including the number of
18 business cases reviewed, those recommended for outsourcing and the
19 state agency action on the business case; and

20 (3) information on all outsourcing contracts entered into the
21 preceding year, including, the dollar value of each outsourcing
22 contract, descriptions of performance results, any breach of contract
23 or inadequate performance, and the status of extensions, renewals and
24 amendments of outsourcing contracts.

25 New Sec. 13. The staff of the legislative research department shall
26 provide such assistance as may be requested by the Kansas
27 advisory council on privatization and public-private partnerships.

28 New Sec. 14. A business case may be submitted by the governor,
29 any member of the legislature, any state agency, a private business, a
30 not-for-profit organization or any government entity that is not a state
31 agency. A business case shall be submitted in the manner and form
32 prescribed by the council.

33 (b) A business case shall include the following:

34 (1) A description of the state agency activity the council is to
35 review and evaluate;

36 (2) a description of the private market for such activity; and

37 (3) a proposal as to the price to be paid by the state agency if such
38 activity were outsourced.

39 (c) If the business case is submitted by a state agency, the
40 following shall also be included in the business case:

41 (1) A description and analysis of the agency’s performance with
42 respect to such activity;

43 (2) an analysis comparing the potential costs and savings to the

1 agency between outsourcing the activity and continuing to perform
2 such activity;

3 (3) a citation to existing legal authority for outsourcing such
4 activity;

5 (4) a transition plan that addresses changes in personnel,
6 equipment, office location and communication with clients and the
7 general public should such activity be outsourced;

8 (5) a description of any legislative action necessary to accomplish
9 the outsourcing of such activity; and

10 (6) a description of specific performance standards that a
11 contractor must meet in performing such activity, including:

12 (A) Specific and measurable goals to be met by the contractor;

13 (B) a plan to ensure compliance by the contractor with all
14 applicable laws and regulations; and

15 (C) a contingency plan addressing the contractor's
16 nonperformance or inadequate performance of such activity.

17 (d) If the business case is submitted by an entity other than a
18 state agency, the council shall send a copy of the submitted business
19 case to the state agency currently performing the activity in question.
20 The state agency shall have 30 days from receipt of the business case
21 to submit a response to the council. The response shall include those
22 items set forth in subsection (c).

23 (e) The council may review and evaluate any business case that is
24 submitted to the council to determine: (1) If there is competition,
25 replication or duplication of an activity by a state agency with a
26 private business, not-for-profit organization or other government
27 entity; (2) whether such activity may be outsourced such state agency;
28 and (3) the costs and savings that will likely result from such
29 outsourcing.

30 (f) In conducting its review and evaluation of a business case the
31 council shall consider the state agency's response submitted pursuant
32 to subsection (d), if applicable, and determine whether the activity in
33 question is an inherent governmental function that cannot be
34 outsourced, or a commercial activity which may be performed by an
35 entity other than the state agency. The council may hold public
36 hearings, seek advice from advisory groups and request additional
37 information from the state agency.

38 (g) Any member of the council that is either employed by the
39 state agency which is performing the activity that is the subject of a
40 business case under review, or is affiliated with a private business or
41 not-for-profit organization that could perform such activity shall not
42 participate in the review and evaluation of that particular business
43 case.

1 **(h)** Upon completion of its review and evaluation the council shall
2 prepare a report on its findings and recommendations. Copies of the
3 council’s final report on a business case shall be sent to the entity that
4 initially submitted the business case, and the state agency which
5 performs the activity that is the subject of the business case.

6 **(i)** Any state agency receiving a report pursuant to subsection **(h)**
7 shall submit a response to the council within 45 days after receipt of
8 the report. The response shall include the agency decision with respect
9 to outsourcing or eliminating the activity, the reasons supporting the
10 decision and the implementation date, if any.

11 **New Sec. 15.** Any contract entered into by a state agency with a
12 private business or not-for-profit organization which is an agreement
13 for the private business or not-for-profit organization to perform an
14 activity previously performed by the state agency shall include the
15 following:

16 **(a)** A specific scope of work statement clearly identifying the
17 activity to be performed by the contractor;

18 **(b)** if services are being provided, an agreement as to what
19 constitutes adequate provision of such services, and the ability of the
20 state agency to resume provision of such services if not adequately
21 provided by the contractor; **(c)** a specific transition plan providing for
22 the transfer of the activities in question to the contractor; **(d)** specific
23 and measurable performance standards that must be met by the
24 contractor;

25 **(e)** a provision granting the state agency access to all relevant
26 documents and records of the contractor necessary for the purposes of
27 verifying the contractor is meeting all performance standards and
28 auditing the contractor’s performance;

29 **(f)** a provision requiring the contractor to interview and consider
30 for employment any state employee previously employed by the state
31 agency who expresses an interest in such employment; and

32 **(g)** a contingency plan for transferring such activity back to the
33 state agency in the event the contractor does not meet the required
34 performance standards.

35 **New Sec. 16. (a)** When any contract for the purchase of goods
36 or services by any state agency, as that term is defined in K.S.A. 75-
37 3701, and amendments thereto, is not awarded to a vendor after such
38 vendor has submitted the lowest bid for such contract, the director of
39 purchasing of the department of administration shall prepare a
40 written explanation detailing the reasons why such vendor was not
41 awarded the contract and why the deficiencies in such vendor’s bid
42 could not be remedied to the satisfaction of the director. In the event
43 the contract is awarded by a state agency other than the department

1 of administration, such state agency shall prepare a written
2 explanation detailing the reasons why such vendor was not awarded
3 the contract and why the deficiencies in such vendor's bid could not be
4 remedied to the satisfaction of the head of such state agency, and
5 submit such written explanation to the director of purchasing of the
6 department of administration.

7 (b) On or before January 12, the director of purchasing of the
8 department of administration shall transmit to the standing
9 committee on appropriations of the house of representatives, the
10 standing committee on ways and means of the senate and Kansas
11 advisory council on privatization and public-private partnerships a
12 report that shall include all written explanations prepared in
13 accordance with this section during the immediately preceding year.

14 (c) The provisions of this section shall not apply to contracts that
15 are subject to the provisions of K.S.A. 75-5801 et seq., and
16 amendments thereto, or K.S.A. 75-1250 et seq., and amendments
17 thereto, or to contracts in support of the planning, development or
18 implementation of a road, bridge or public transportation
19 construction program of the department of transportation.

20 New Sec. 17. (a) When any contract for the purchase of goods
21 or services by any state agency, as that term is defined in K.S.A. 75-
22 3701, and amendments thereto, is not awarded to a vendor that is: (1)
23 Domiciled in this state; (2) proposing to have the work which is the
24 subject matter of the contract performed by employees subject to
25 Kansas income withholding taxes; and (3) subject to Kansas income
26 taxes, the director of purchasing of the department of administration
27 shall prepare a written explanation detailing the reasons why such
28 vendor was not awarded the contract and why the deficiencies in such
29 vendor's bid could not be remedied to the satisfaction of the director.
30 In the event the contract is awarded by a state agency other than the
31 department of administration, such state agency shall prepare a
32 written explanation detailing the reasons why such vendor was not
33 awarded the contract and why the deficiencies in such vendor's bid
34 could not be remedied to the satisfaction of the head of such state
35 agency, and submit such written explanation to the director of
36 purchasing of the department of administration.

37 (b) On or before January 12, the director of purchasing of the
38 department of administration shall transmit to the standing
39 committee on appropriations of the house of representatives, the
40 standing committee on ways and means of the senate and the Kansas
41 advisory council on privatization and public-private partnerships a
42 report that shall include all written explanations prepared in
43 accordance with this section during the immediately preceding year.

1 (c) The provisions of this section shall not apply to contracts that
2 are subject to the provisions of K.S.A. 75-5801 et seq., and
3 amendments thereto, or K.S.A. 75-1250 et seq., and amendments
4 thereto, to contracts in support of the planning, development or
5 implementation of a road, bridge or public transportation
6 construction program of the department of transportation or to
7 contracts for building construction.

8 (d) For purposes of this section, the term "building construction"
9 means furnishing labor, equipment, material or supplies used or
10 consumed for the design, construction, alteration, renovation, repair
11 or maintenance of a building or structure; including multilevel
12 parking structures and stand-alone parking lots.

13 New Sec. 18. (a) Any contract for the purchase of goods or
14 services by any state agency, as that term is defined in K.S.A. 75-3701,
15 and amendments thereto, which includes a provision for the automatic
16 renewal or extension of such contract, shall be reviewed by the head of
17 such agency to determine if such contract shall be allowed to be
18 automatically renewed or extended. Such review shall include an
19 evaluation of the cost savings the agency might benefit from if the
20 agency were to terminate the contract and issue a new request for
21 proposal. If the head of the state agency determines that it is in the
22 agency's best interest to allow the contract to be automatically
23 renewed or extended, then the head of the state agency shall prepare a
24 written explanation detailing the reasons why such contract was
25 allowed to be automatically renewed or extended and submit such
26 written explanation to the director of purchasing of the department of
27 administration.

28 (b) On or before January 12, the director of purchasing of the
29 department of administration shall transmit to the standing
30 committee on appropriations of the house of representatives, the
31 standing committee on ways and means of the senate and the Kansas
32 advisory council on privatization and public-private partnerships a
33 report that shall include all written explanations prepared in
34 accordance with this section during the immediately preceding year.

35 (c) The provisions of this section shall not apply to contracts that
36 are subject to the provisions of K.S.A. 75-5801 et seq., and
37 amendments thereto, or K.S.A. 75-1250 et seq., and amendments
38 thereto, or to contracts in support of the planning, development or
39 implementation of a road, bridge or public transportation
40 construction program of the department of transportation.

41 New Sec. 19. The provisions of sections 16 through 18, and
42 amendments thereto, shall not apply to any activity conducted by or
43 under the authority of the state board of regents, or to any contract

1 entered into by the state board of regents or any postsecondary
2 educational institution, as defined by K.S.A. 74-3201b, and
3 amendments thereto.

4 **New Sec. 20.** The provisions of the Kansas advisory council on
5 privatization and public-private partnerships act shall only apply to
6 state agencies that receive state appropriations, state general funds or
7 federal funds appropriated through the state.

8 **New Sec. 21.** If any provision of sections 8 through 22, and
9 amendments thereto, or the application thereof to any persons or
10 circumstances is held invalid, such invalidity shall not affect other
11 provisions or application of the act which can be given effect without
12 the invalid provisions or application and to this end the provisions of
13 sections 8 through 22, and amendments thereto, are declared to be
14 severable.

15 **New Sec. 22.** The provisions of sections 8 through 22, and
16 amendments thereto, shall expire on July 1, 2014.

17 ~~Section 1. K.S.A. 75-5002 and 75-5003 are hereby repealed.~~

18 **Sec. 23.** K.S.A. 75-3715, 75-3716, 75-5002 and 75-5003 and K.S.A.
19 2010 Supp. 74-72,123 are hereby repealed.

20 **Sec. 24.** This act shall take effect and be in force from and after
21 its publication in the statute book.

22 ~~Sec. 2. This act shall take effect and be in force from and after its~~
23 ~~publication in the statute book.~~

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