

House K-12 Budget Committee

Wednesday, Feb. 1, 2017

Re: House Bill 2143

The Office of Procurement and Contracts within the Department of Administration is responsible for procuring goods and services at the best price for the agencies of the State of Kansas and, when appropriate, establishing contracts which are available to political subdivisions of the state, which would include school districts. In 2016, the Office of Procurement and Contracts had 922 statewide contracts available to political subdivisions. These include office products, computer and audio/visual equipment, and maintenance, repair, and operations equipment and supplies.

Following discussions with the procurement team from Alvarez & Marsal, and pursuant to their written recommendations to the Kansas Legislature, the Office of Procurement and Contracts has begun the process of strategically sourcing certain commodities. Past efforts at strategic sourcing involved contracting with a vendor on behalf of one agency and negotiating the opportunity for other agencies to utilize the contract. Recent efforts involve bringing all of the stakeholders together to discuss the needs of each agency with regard to a commodity type. This allows the Department of Administration to negotiate for statewide needs and volume to optimize the annual process to net lowest unit prices. The most recent efforts in strategic sourcing have involved law enforcement equipment and hygiene products.

Strategic sourcing, as implemented by the Department of Administration, does not always mean one vendor gets all of the state business. Rather it allows for discussion and collaboration among state agencies to determine those goods and services that are similar across all agencies, aggregate the total buying power, and contract with the vendor or vendors that can provide the goods and services in the most cost effective, efficient manner. We envision and expect multiple vendors for some commodities and services when it makes sense.

House Bill 2143 expands the current state effort at strategic sourcing to include the unified school districts. It does limit the commodities to information technology, food, and fuel. Additionally, the bill provides some exceptions to the strategic sourcing. Currently there is no mandated coordinated procurement among the school districts. Decentralized procurement makes it difficult to leverage buying power and drive down costs. The Department of Administration is supportive of strategic sourcing efforts and is ready and available to assist the school districts in their efforts to do so.

Sarah L. Shipman
Secretary, Kansas Department of Administration