

Approved: April 26, 2006
Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 10, 2006, in Room 123-S of the Capitol.

All members were present except:
Senator Donald Betts- excused

Committee staff present:
Jill Wolters, Revisor of Statutes Office
Michael Corrigan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee:
D. Keith Meyers, Director, Division of Facilities Management, Department of Administration
Trudy Aron, Executive Director, American Institute of Architects
Corey D. Peterson, Executive Vice President, Associated General Contractors of Kansas
Joe Levens, Vice President of Eby Construction and President, Associated General Contractors of Kansas, Inc.
Bob Totten, Public Affairs Director, Kansas Contractors Association

Others attending:
See attached list.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2006 and FY 2007 were made available to the Committee.

Subcommittee budget reports on:

Legislative Coordinating Council
Legislative Division of Post Audit
Revisor of Statutes
Legislative Research Department
Legislature (Attachment 1)

Subcommittee Chairman Jay Emler reported that the budget subcommittee on the Legislative Coordinating Council concurs with the Governor's recommendations in FY 2006 with notations and FY 2007 with notation.

Senator Teichman moved, with a second by Senator Emler, to adopt the budget subcommittee report on the Legislative Coordinating Council in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman Jay Emler reported that the budget subcommittee on Legislative Post Audit concurs with the Governor's recommendations in FY 2006 and FY 2007.

Senator McGinn moved, with a second by Senator Schmidt, to adopt the budget subcommittee report on Legislative Post Audit in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman Jay Emler reported that the budget subcommittee on the Revisor of Statutes concurs with the Governor's recommendations in FY 2006 and FY 2007 with adjustment.

Senator Schmidt moved, with a second by Senator Emler, to adopt the budget subcommittee report on the

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Revisor of Statutes in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman Jay Emler reported that the budget subcommittee on the Legislative Research Department concurs with the Governor's recommendations in FY 2006 and FY 2007 with adjustments and notations.

Senator Teichman moved, with a second by Senator Wysong, to adopt the budget subcommittee report on the Legislative Research Department in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman Jay Emler reported that the budget subcommittee on the Legislature concurs with the Governor's recommendations in FY 2006 with adjustments and notations and FY 2007 with notation.

Committee questions and discussion followed on the budget subcommittee report on the Legislature in FY 2007 regarding conversion to Outlook and Microsoft Office. Senator Morris mentioned that he believed that last year the Legislative Coordinating Council took action for everyone involved in the process to move toward Microsoft Office and felt that it is in various stages to move toward it (Revisor of Statutes Office and Kansas Legislative Research Department). In response to a question, Jeff Russell, Legislative Administrative Services, who noted that this conversion was a question of pace in the timely process of getting bills to the state printer and they are working with an outside person on it at this time.

Senator Emler moved, with a second by Senator Schmidt, to amend the budget subcommittee report on the Legislature in FY 2007 request a report at Omnibus to include Outlook and Microsoft Office and include in the report information in order to accelerate the process from outside and licensing costs. Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Steineger, to adopt the budget subcommittee report on the Legislature in FY 2006 and FY 2007 as amended. Motion carried on a voice vote.

Revisit of Legislative Post Audit budget subcommittee report by Committee:

Senator Steineger moved, with a second by Senator Schmidt, to revisit the budget subcommittee report on Legislative Post Audit in FY 2007 to add the commendation for the agency as was done in the Revisor of Statutes and the Legislative Research Department budget subcommittee reports. Motion carried on a voice vote.

Senator Steineger moved, with a second by Senator Emler, to adopt the budget subcommittee report on Legislative Post Audit in FY 2006 and FY 2007 as amended. Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

HB 2394--The Kansas alternative project delivery construction procurement act

Staff briefed the Committee on the bill.

The Chairman welcomed the following conferees:

D. Keith Meyers, Director, Division of Facilities Management, Kansas Department of Administration, who testified in support of **HB 2394** (Attachment 2). Mr. Meyers explained that the bill would allow for use of alternate delivery methods (design build or construction manager at risk) for building design and construction projects in addition to the state's current design-bid-build delivery method. He addressed who requested the legislation, why state agencies want this ability, the process in drafting legislation and how the process would work (detailed in the written testimony).

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Trudy Aron, Executive Director, American Institute of Architects, spoke in support of **HB 2394** (Attachment 3). Ms. Aron mentioned that the American Institute of Architects, Associated General Contractors of Kansas and the American Council of engineering Companies in Kansas worked with the major state agencies who contract for state building projects, including the Department of Administration, the Board of Regents, Department of Corrections and Department of Social and Rehabilitation Services to draft the bill. She noted that working together they were able to agree on a bill that would accomplish the needs of all the parties involved.

Corey Peterson, Executive Vice President of the Associated General Contractors of Kansas (AGC), testified in support of **HB 2394** (Attachment 4). Mr. Peterson mentioned that the AGC of Kansas feels that the traditional design-bid-build method of building construction has worked effectively for years and should continue to be the norm. However, he noted that the AGA recognizes the desire of owners to utilize alternative delivery methods. Mr. Peterson also addressed information that the AGC has a strong position that all construction projects in the public sector be awarded through a fair, open and objective process that is free of political influence. The selection process used with alternative projects is more complicated than the traditional method and this information is detailed in Mr. Peterson's written testimony.

Joseph Levens, Vice President of Eby Construction and President of the Associated General Contractors of Kansas, Inc., spoke in support of **HB 2394** (Attachment 5). Mr. Eby noted that Kansas is one of only six states that does not have some form of alternative bidding statutes according to the Design Build Institute of America. He explained that their intent was to not favor, nor disfavor, any one method over another but to simply provide information on the options available to the public owner. In his written testimony, Mr. Eby noted that it is not the intent of the bill to use alternative project delivery methods on all public building projects, but to provide the public owner with a set of guidelines and laws that will assist them during special circumstances requiring special procurement and construction applications. He also explained that it is also not the intent to use alternative delivery on highway construction projects or to dictate private sector contracts or selection processes.

Bob Totten, Public Affairs Director, Kansas Contractors Association, testified in support of **HB 2394** (Attachment 6). In response to a question from Senator Barone earlier in the meeting, Mr. Totten explained that the Kansas Contractors Association supports the bill because it exempts transportation projects. He noted that the Kansas Contractors Association strongly supports full and open competition among all parties providing construction and affiliated services. In closing Mr. Totten mentioned that although they agree in the revised version of the bill, if it is altered, their support for the revised version would disappear.

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **HB 2394**.

The meeting adjourned at 11:35 a.m. The next meeting was scheduled for March 13, 2006.