LEGISLATURE of THE STATE of KANSAS

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MEMORANDUM

To:

Chairman Campbell

Members of the K-12 Budget Committee

From:

Jason B. Long, Senior Assistant Revisor

Date:

February 1, 2017

Subject:

HB 2143 – Centralized procurement for school districts.

House Bill No. 2143 (HB 2143) requires that generally school districts are to acquire certain goods and services through statewide contracts negotiated and entered into by the Secretary of Administration. Specifically, Section 1 of the bill pertains to: (1) information technology equipment, software, and services; (2) food; and (3) fuel. Each school district is to obtain these goods and services through the contracts negotiated by the Secretary.

Section 1 of HB 2143 provides four exceptions. First, the school district may acquire these goods and services on its own if the cost to the school district is within 1% of the cost negotiated by the Secretary. Second, if the items are available through an education service center, then the school district may acquire the goods and services through that center. Third, if the school district determines that the goods and services available through the Secretary's contracts have a "material quality difference" and would negatively impact student performance or outcomes, and the Secretary agrees with such determination, then the school district may acquire the goods and services from another vendor. Finally, if there is an existing contract for such goods and services, then the school district may continue to acquire the goods and services under that contract. However, any such contract is terminated by law on July 1, 2019, and thereafter the school district will acquire the goods and services through the Secretary's contracts unless another exception applies.

HB 2143 also amends K.S.A. 72-6760, which governs school district procurement of goods and services. Generally, if the purchase is more than \$20,000, then the school district must use a sealed bid process to acquire the goods and services. Under current law the sealed bid process is not applicable to the acquisition of services. HB 2143 amends K.S.A. 72-6760

such that services would be subject to the sealed bid process. Further, HB 2143 makes those goods and services acquired through the Secretary's contracts not subject to the sealed bid process.

If enacted HB 2143 would become effective on July 1, 2017.