

**MINUTES**  
**Approved by the Committee**  
**State Procurement Laws Committee**  
**Wednesday, September 14, 2016**  
**9:30 A.M.**  
**Twin Falls City Hall (305 3rd Avenue E.) Council Chambers**  
**Boise, Idaho**

Co-chair Representative Anderson called the meeting to order at 9:35 a.m.; a silent roll call was taken. Members present: Representatives Bell, Crane, Vander Woude, and Nye; Co-chair Senator Martin and Senators Davis, Lee, Den Hartog, and Jordan; Legislative Services Office staff Elizabeth Bowen, Robyn Lockett, and Jennifer Kish. Absent and excused: Representative Smith (ad hoc).

Other attendees: John Foster - Kestrel West; Keith Watts - City of Meridian; Bob Perkins, Lorna Jorgensen - Ada County; Robert Geddes, Keith Reynolds - Dept. of Administration; Sarah Hilderbrand, Valerie Bolinger - Div. of Purchasing.

NOTE: presentations and handouts provided by the presenters/speakers are posted to the Idaho Legislature website: <http://legislature.idaho.gov/sessioninfo/2016/interim/procurement.htm>; and copies of those items are on file at the Legislative Services Office located in the State Capitol.

Co-chair Anderson noted that Rep. Smith was excused from the meeting, and then called for approval of the minutes from the August 22nd meeting. Rep. Nye made a motion to approve the minutes as submitted; Co-chair Martin seconded the motion. Minutes approved by voice vote.

Co-chair Anderson explained that the majority of the day's presentations would be proposed draft legislation. He noted that the committee would not be voting on any of the proposed legislation; the purpose of the presentations was to engage with the presenters and ask questions. He directed the members to take the information discussed today and confer with other interested parties and each other, so that edits could be discussed at a later meeting.

Co-chair Anderson called Robyn Lockett, LSO Principal Budget & Policy Analyst, to the podium for her presentation regarding quasi-public entities, as requested by the committee. Co-chair Anderson clarified that the question from the committee was whether these entities were required to adhere to the state purchasing laws, and how far did the state's liability extend on contracts entered into by these entities. Ms. Lockett defined quasi-public entities as those that receive some state funds (i.e. a partial budget appropriation) but, since were created as a separate entity by Idaho Code, operated under their own authority. Some examples of quasi-public entities included: the Independent Living Council, the Health Districts (I-VII), community colleges, Bureau of Educational Services for the Deaf and the Blind, and the agricultural commissions (Grape Growers & Wine Producers, Alfalfa Commission, Beef Council, Horse Board, etc.). The concern was whether the receipt and use of state funds by one of these entities linked the state as a party to a contract, especially in the event that the contract went awry. She submitted that about 50 entities were identified as quasi-public through LSO's Audits Division, using the entity's definition in the CAFR (Comprehensive Annual Financial Report) report.

Ms. Bowen, LSO Senior Legislative Research Analyst, then took Ms. Lockett's list and researched each of those identified entities' legal establishment in Idaho Code, and commented on the depth of implied liability for each type of entity. She organized her research into four categories: contracts by state officers and agencies, contracts by "governmental entities," contracts by an independent public body corporate and politic, and contracts by an agricultural or similar commission (see [handout](#)). State officers and agencies were authorized to enter into contracts as extensions of the state, and as such, were liable. She noted that, while governmental agencies were created by statute, quasi-public entities were permitted/authorized by a state agency. The quasi-public entities themselves were not a division of the state nor an agency of the state and, hence, were exempt from provisions

of the state's Procurement Act. She concluded that, regarding liability, the fund source was less important than the parties to the contract. She commented that some of the language regarding the liability of these entities was rather ambiguous; for example, in paraphrasing language in the Idaho Code for the Bureau of Educational Services for the Deaf and the Blind (Section 33-3407, Idaho Code), she noted that it clearly states the entity is not a state department nor is it a state agency, but then states that - for purposes of risk management and group insurance - it is a state department. Ms. Bowen reported that she had not identified any supreme court cases on the issue, but that she had identified cases on quasi-public entities in regard to the Idaho Tort Claims Act. On such cases, the Idaho Supreme Court looked at how independent the entity was, taking into consideration such issues as the source of funding and whether the state oversaw any of the daily operations. As for independent public bodies corporate and politic, she explained that there was no liability (these included the College of Western Idaho and many of the political subdivisions). And finally, agricultural and similar commissions were not liable (mostly) as defined, or as inferred by language similar to others of that identity.

- Rep. Nye asked whether those listed as agricultural commissions were covered by state risk management or a tort claims defense? Ms. Bowen responded that she was not sure whether each was covered by the state risk management; as for the Idaho Tort Claims Act, some commissions had specific language to be covered.
- Rep. Vander Woude inquired whether any of the commissions currently participated in state contract purchases? Ms. Bowen responded that the commissions were permitted to contract with vendors on their own and were not obligated to use the Division of Purchasing (DOP). She noted that some of the governmental entities had language stating that they *may* contract with DOP.
- Co-chair Anderson asked whether there existed any correlation between quasi-public entities and political subdivisions? Ms. Bowen explained that some quasi-public entities were political subdivisions, and, if the political subdivision was defined as an independent public body corporate and politic, it would fall into the third category where the state was not liable.
- Co-chair Anderson inquired whether changes made to statutes for political subdivisions would affect the quasi-public entities? Ms. Bowen submitted that any entity identified as a political subdivision would be affected by such proposed changes and would be obligated to follow statutes regarding political subdivisions. Co-chair Anderson asked whether such entities were clearly identified in statute? Ms. Bowen stated that they were.

At 10:00 a.m., Co-chair Anderson called upon Bob Perkins, Procurement Manager for Ada County, and Keith Watts, Purchasing Manager for the City of Meridian, to begin their presentation [Proposed Procurement Changes for Political Subdivisions](#). Mr. Perkins began by stating that the current system was by no means broken, but many felt there were areas for improvement to be more efficient and to add more modern best practices to make the process more accountable. Mr. Perkins noted that the proposed changes focused on four chapters of the procurement statutes: purchasing by political subdivisions, Public Works Contracts, Professional Service Contracts with Design Professional, and Engineer Review of Public Works. He commented that many city and county level entities had been consulted for ideas and input on the proposed changes, as well as the DOP. Mr. Perkins spoke to areas of the law regarding the county level and Mr. Watts spoke to those regarding the city level, especially public works.

- Senator Jordan asked whether the request for delegation of authority was for a specified individual or for a position within the office? Mr. Perkins replied that it was for a specified person who had demonstrated purchasing ability.
- Rep. Crane asked how, when the position was vacant, would the delegated authority be readdressed? Mr. Perkins responded that a new request would be submitted for approval. Rep. Crane then inquired why there was a need to specify an individual; why not identify a position? Mr. Perkins felt it necessary to verify that the individual had the appropriate ability, but he could understand the reason of identifying a position.

- Senator Davis felt that the phrase "as authorized by law" (proposed section 31-604 3.) was already implied and unnecessary. Mr. Perkins agreed with the suggestion.
- Senator Davis commented that the term "franchise" had some historically significant difficulties and so was often omitted from statute. He asked whether Mr. Perkins could speak to Ada County's history with the term? Mr. Perkins deferred the question to Ms. Lauren Jorgensen, Deputy Prosecutor for Ada County. Ms. Jorgensen responded that there were many references in county law to franchises, such as keeping records of franchises and which personnel shall keep such franchise records. She noted that, while the law speaks to the requirements for franchises, the term itself was not included in county law, and so it seemed prudent to include it at this time. She did not see it as an intentional omission but rather a lack of updates to the territorial-era law.
- Rep. Nye asked whether there had ever been a challenge to the county for entering into a franchise? Ms. Jorgensen stated that she was not aware of any challenge in her eleven-year experience.
- Rep. Vander Woude asked why it was considered a franchise, which often meant multiple locations, when the examples cited were for single operations? He contended that the ability of counties to grant franchises was disconcerting. Ms. Jorgensen explained that, with this proposed language, political subdivisions could grant a franchise and be exempt from the procurement statute. Senator Davis commented that he believed Black's Law dictionary defined the term "franchise" to mean "authorized to act on one's behalf" and was used in the singular, as well as the plural.
- Senator Lee asked whether Ms. Jorgensen could offer examples from other counties where this ability to authorize a franchise would be helpful? Ms. Jorgensen believed that all of the solid waste statutes granted franchising, but had no other examples.
- Regarding Section 67-2801, Idaho Code, Senator Davis inquired what was the intent of the proposed changes? Mr. Perkins explained that the proposed language specified the adherence to federal law and was better aligned with language in another section to make this section more clear and concise. Senator Davis suggested that the phrase "...permitted by law..." was sufficient; and added that he was not in favor of an Idaho preference in bidding, since he worked closely with border states in his district. Mr. Perkins agreed with the edit and acknowledged the Senator's objection and reasoning.
- Again regarding Section 67-2803, Idaho Code, Senator Jordan inquired why there was a need for subsection (8) - "used personal property"? Mr. Perkins explained that the intent of subsection (8) was to focus more on *used property* rather than *personal property* and the difficulty in comparing used items. Also, that the intent was to make that opportunity available to all political subdivisions rather than just those few listed.
- Co-chair Martin asked Mr. Perkins to further explain "specialized repair," as listed in subsection (15) of Section 67-2803. Mr. Perkins commented that this often occurred for large motorized equipment. Mr. Watts cited examples such as firefighting vehicles and sewage treatment parts, where repairs were very specific and time sensitive. He commented that often the time involved in acquiring the required bid for repairs was impracticable for the timely need of the equipment to be operating.
- Regarding subsection (16), Rep. Crane noted that an IT platform was often inexpensive because the cost was recouped in the system maintenance and software licensing, so how could he ensure taxpayer protection? Mr. Watts commented that traditionally the platform and maintenance were bid collectively for the first few years, but maybe additional language needed to be included in the subsection to address that issue.
- Senator Den Hartog asked how an entity decided where to take equipment for specialized repairs? Mr. Watts reported that the initial consideration in that decision was whether a vendor was an authorized repair vendor or was a contracted manufacturer.

- Co-chair Anderson inquired why the value in subsection (15) was set at \$25,000? Mr. Watts explained that it was the limit for an informal bid to be received.
- Co-chair Anderson wondered how involved a governing board was with some of the outlined decisions? Mr. Watts submitted that it varied with and within the level of the subdivisions. Co-chair Anderson summarized that the expectation was that the governing boards would have additional guidelines to direct those in such decisions. Mr. Watts agreed.
- Rep. Nye requested Mr. Watts re-identify the entities that had reviewed the proposed language. Mr. Watts reiterated that the DOP, the Assoc. of Counties, the Assoc. of Cities, Public Purchasing Assoc., and others (as listed at the beginning of the presentation material). Rep. Nye inquired whether any entity or association had authorized the proposed language? Mr. Perkins noted that all of the groups with which they consulted recognized that this was only proposed language and, therefore, no one had adopted the language.
- In regard to Section 67-2804 (4), Idaho Code, Senator Davis asked whether material marked as proprietary or not affected the scoring process? Mr. Perkins explained that a bid process would be closed before a public records request could be addressed. Senator Davis inquired why the system did not just assert that information was proprietary at the beginning and give vendors the choice to opt out? Mr. Perkins explained that the system currently assumes that information is proprietary but would rather have the vendor identify what is proprietary so that those items not marked could be released in a shorter amount of time. He added that the intent of the proposed language was to speedup the records request process. Mr. Watts submitted that different language may need to be assigned to proposals versus bids; proposals absolutely should be assumed as proprietary unless otherwise stated, whereas bids were probably more adaptable to the proposed language.
- Senator Lee asked whether subsection (4), in an effort to err on the side of transparency, could make use of redaction? Mr. Watts commented that political subdivisions most often relied on their legal counsel in identifying proprietary information for redaction.
- Senator Davis suggested that an invitation be extended to the AGC (Associated General Contractors) for the DOP vendor day.
- Co-chair Martin asked for clarification on the difference in the language proposed for Section 67-2805(2)(d), Idaho Code. Mr. Watts explained that it would omit the governing board and assign a board-authorized official to award the bid for contracts that met the established dollar limit. He added that an appeal process would still exist, if there was a protest to the awarded bid.
- Rep. Vander Woude inquired whether the proposed change would open all bids or only the lowest bid? Mr. Watts responded that it would operate differently for each entity.
- Rep. Vander Woude asked why there was a submission of two bids instead of only one? Mr. Watts explained that there was currently a statute that permitted awarding to any vendor, not just the lowest bidder, which seemed litigiously dangerous. He added that the submitted report did show all of the bid amounts, not just the final accepted bid.
- Co-chair Martin inquired whether "responsive bidder" was defined? Mr. Watts noted that it was not.
- Rep. Nye asked whether today's proposed language was finalized, and whether either the city of Meridian or Ada County had officially adopted any of the proposals? Mr. Watts responded that the proposed language was not presented for approval at today's meeting, and that neither city nor county had adopted the proposed language. He noted that the committee had requested that political subdivisions bring ideas early in the process, rather than later, to begin the dialogue.
- Co-chair Martin asked whether changing the time for an appeal from 7 to 5 calendar days (Section 67-2805(3)(a)(ix), Idaho Code) was fair? Mr. Watts explained that most bidders know the

day the bid is read that an appeal would be filed; this would speed up the process by reducing the amount of response time, especially when bidders wait until the last day to file.

- Senator Davis inquired what entity contested whether it was "qualified" or "responsive"? Mr. Watts reported that it was discussed among both city and county level political subdivisions. He commented that there was a desire to add the phrase "financial" to the definition of what was a prequalified bidder.
- Co-chair Martin commented that the committee was, as yet, undecided as to how and whether these proposals would be introduced for adoption; however, he felt it important that the proposals were considered.
- Senator Davis commented that he was not in favor of proposed language for Section 67-2806B, Idaho Code, Reverse Auction. Co-chair Anderson requested more detail on the concept of "reverse auction." Mr. Watts explained that the process was run anonymously using electronic bidding. The winning bid was revealed after each round and vendors could then opt out or rebid in an attempt to beat the currently winning bid. This continues until the process concludes.
- Co-chair Martin inquired how often the process was employed per his experience? Mr. Perkins stated that it wasn't used often, to the best of his knowledge, only once by Ada County; as for other entities, he did not know. Co-chair Martin commented that he was concerned about the angst such a process would create among the vendors. Mr. Perkins explained that it was a blind auction, the bidders were not in the same room and no names were associated with the bid.
- Senator Jordan asked how this process affected local business interested in participating in the bid process? Mr. Perkins did not see any negative effects to the process for local business and encouraged them to participate.
- Senator Davis asked whether language could be put into statute requiring public works entities to notify each other of projects so that efforts could be combined during a single project, rather than prolonging the repair process, which frustrates communities and causes additional expenses? Mr. Watts noted that it was the public works agency's responsibility to conduct such communications, but efforts were not always effectively coordinated.
- Senator Jordan asked whether there was any data available on how many projects had problems to justify re-establishing the amount for Section 54-1218(2), Idaho Code? Mr. Watts stated that he would check with other entities, as well as sureties with which the city had worked, to gather such information.
- Representative Bell commented that both gentleman had accomplished a great deal of work on this project, and asked whether both would have continued doing "business as usual" if they had not been requested by the committee to provide input on the subject? Mr. Watts responded that the modus operandi was to follow statute, which worked, but it was cumbersome and confusing, especially for smaller communities. He appreciated the opportunity to be a part of the process.
- Co-chair Anderson commented that attempts to include public entities in the previous year's efforts of revising procurement law were not successful, and he asked Senator Den Hartog to speak to that matter. Senator Den Hartog commented that she had spoken quite often with Mr. Watts and Mr. Perkins last year regarding issues at the city and county level. She noted that the previous year the committee focused more on issues at the state level, and wanted it known that the political subdivisions had been recognized as needing procurement issues addressed, but the committee ran out of time to deal with those issues. Both Co-chair Anderson and Senator Den Hartog emphasized that the public should be comfortable in knowing that it is important to bring issues to Legislature, just as these individuals had.

With that, the committee recessed for lunch.

At 1:23 p.m., Co-chair Anderson called the meeting to order and requested Ms. Sarah Hilderbrand, Administrator for the Division of Purchasing (DOP), to present proposed language from the division.

Administrator Hilderbrand began with the proposal for [Cooperative and Group Discount Purchasing](#) (Section 67-9224, Idaho Code). She reported that the concept of group discount purchasing began with permission to participate in MMCAP (Minnesota Multistate Contracting Alliance for Pharmacy), which facilitated government group purchasing of pharmaceuticals. Additionally, permission was granted for purchasing with NASPO-ValuePoint, which enabled contracts to be shared where traditionally there is a lead state that barter the contract and then invites other states to join on the contract. She explained that there were a couple ways for this to occur: between an Idaho state agency and a county, between counties, or between the state of Idaho or Idaho counties and other states. She noted that it was already in statute for political subdivisions to do cooperative purchasing, but these items were suggestions to further detail how entities could participate.

- Senator Den Hartog asked whether other states or local entities advertised within their contracts the ability for cooperative purchasing? Ms. Hilderbrand stated that other states do advertise the ability. She noted that other states' terms and conditions must meet Idaho requirements for participation.
- Senator Davis asked whether supplies could be bought through another state if this proposed language was adopted? Ms. Hilderbrand reminded the committee that there was still the requirement for a bid to have at least three Idaho vendors; so if a bid did not have that, the opportunity to purchase with another state would not be an option. Senator Davis commented that, in his opinion, not to promote the use of Idaho companies was not a good policy. Administrator Hilderbrand acknowledged his concern.
- Rep. Vander Woude inquired how the DOP could ensure that another state's procurement terms and conditions were the same as Idaho's? Ms. Hilderbrand explained that most states used the Model Procurement Act for the base of their laws; and, if there was any uncertainty, then the division would not permit such a transaction. Rep. Vander Woude asked whether the comparison was on the basic procurement guidelines? Ms. Hilderbrand restated that it had to be consistent with all Idaho law or the DOP would not use.
- Senator Lee asked how the DOP currently handled such a situation that was time sensitive? Ms. Hilderbrand submitted that the state currently does not have the authority to participate with other states in such a manner. So, as administrator, she could authorize a purchase if it was an emergency or a time sensitive situation and would do so on a case-by-case basis. Senator Lee commented that she still needed convincing that it was necessary on the state level, but admitted that she could see its merits for smaller communities.

At 1:45 p.m., Co-chair Anderson called Valerie Bollinger, Manager of State Purchasing for the Division of Purchasing, for her presentation on [Challenges and Appeals](#) (Section 67-9232, Idaho Code). Ms. Bollinger noted that the division studied practices of other states but incorporated specifications to make the law unique to Idaho. She commented that one of the main items to be addressed by the proposed language was the situation where an appeal was granted and sustained by the division in favor of a vendor (specifically sections 1(b), 2(a), and 3(a)).

- Senator Davis asked where it addressed whether an appeal was subject to an additional appeal? Ms. Bollinger pointed to proposed section (3)(v), which was to appoint a hearing officer.
- Senator Davis asked how an administrator determined which process to follow? Ms. Bollinger submitted that it would depend on the case.
- Senator Davis requested that the proposed language be made more clear so as not to confuse whether it meant one **OR** another; additionally, he asked why the director would be motivated to go beyond section (3)(i), which was to deny the appeal? Ms. Bollinger commented that section (3)(b) could move a non-contested case to be a contested case, and, ideally, the administrator should want to put their best effort forward to role model fairness.
- Senator Davis asked whether these options existed before and simply were not adhered to? Ms. Bollinger responded that she did not know.

- Co-chair Martin inquired how many appeals had ever been filed with the division? Administrator Hilderbrand reported that there had been between 10 and 14 appeals for every 1,000 solicitations.
- Co-chair Martin asked whether there had been any discussion about providing an overview committee for high-risk, high-dollar contracts? Ms. Bollinger noted that it had been discussed for oversight but not for the appeal process; however, with so few appeals of that nature, it seemed difficult to justify a need for one.
- Co-chair Martin asked whether a high-dollar contract appeal would be seen as more transparent/credible if a review board addressed the appeal? Ms. Bollinger commented that the appeals officer seemed an efficient avenue for the situation.
- Senator Den Hartog asked whether it was possible to define in statute the situations where the hearing manner options should be applied? Ms. Bollinger responded that it would be difficult to plan for every possible scenario.
- Senator Den Hartog asked whether the option for a bidder to request a determinations officer on the appeals was valuable, and whether other states used such methods? Ms. Bollinger reported that other states offer the option, but cautioned for the need to balance the request for bidders to be heard versus moving forward with the contract once a decision on an appeal had been concluded.
- Rep. Vander Woude inquired what step the state dental contract had used in its appeal? Ms. Bollinger reported that there was no appeal at this time.
- Senator Lee reiterated her concern with section (3)(i) and its finality to the appeal process. Ms. Bollinger noted that there was now the opportunity to call upon the state ethics law, enacted regarding the state Procurement Act, for instances where the director was accused of not following protocol.
- Co-chair Martin asked for clarification that the time for a response to an appeal (section (6)) was being increased from 5 days to a maximum of thirty (30) days? Ms. Bollinger noted that the request was being made only for extreme circumstances, otherwise, the sooner an appeal was addressed, the better.
- Regarding section (6), Rep. Nye asked whether the proposed language was permitting the director to ratify a contract, even if a court had ruled that the contract was illegal? Ms. Bollinger affirmed his summary, explaining that the director could determine to continue with the contract - for a limit of only six (6) months - to provide essential services, if such decision was in the best interest of the state (e.g., the loss of services provided by the contract was detrimental to citizens). She noted that there was also the option to terminate the contract. She commented that such language was provided by the Model Procurement Act and had been adopted by other states. Administrator Hilderbrand submitted that this section was drafted along with language that would be discussed under Void Contracts, and hearing that presentation may be helpful in understanding why this subsection was being added.

Co-chair Anderson then re-called Ms. Elizabeth Bowen to the podium to discuss the proposed language on the topic of void contracts, since it was immediately relevant to the previous discussion. Ms. Bowen noted that she was actually presenting material prepared by Brian Kane, Assistant Chief Deputy from the Office of the Attorney General, as a follow up for requests made during his presentation at the last committee meeting. Ms. Bowen reported that the determination as to why the term "void contract" was used in statute was simply because that was the language submitted when the section was enacted into law in 1919; no supportive minutes or documents existed from that time to glean why such term was chosen. She then presented Mr. Kane's [draft language proposal for Section 67-9213](#), Idaho Code, citing that the language was based on the Model Procurement Act with additional language when necessary to address specific issues. She explained the organization of the material and cited Mr. Kane's reasonings, which were included in the handout:

- Subsection (1) explains the solution when a contract is found to be in violation of the chapter *before* it is awarded.
- Subsection (2) explains the solution when a contract is found to be in violation of the chapter *after* it is awarded.
- Paragraph (2)(a) then explains the remedy when the awarded bidder *does not* act in bad faith or fraudulently; while paragraph (2)(b) explains the remedy when the awarded bidder *is found to have acted* in bad faith or fraudulently.
- Co-chair Martin inquired what the determining factors were for "a reasonable profit" as listed in (2)(a)(ii)? Ms. Bowen submitted that such language was probably from the Model Procurement Act and would probably depend on the circumstances.
- Co-chair Anderson asked whether the proposed language would require, in a scenario where a multi-year contract was awarded and found to be in violation, the state to continue with the contract even though it was determined to be in violation? Ms. Bowen responded that she would consult with Mr. Kane on that scenario; but offered that, per her interpretation, the state could continue with the contract **but only** for a maximum of six (6) months. Such determination would consider whether the contract was necessary for the good of the public.

Co-chair Anderson then re-called Administrator Sarah Hilderbrand to the podium to discuss the proposed language on the topic of [Multiple Awards](#), Section 67-9211, Idaho Code. Ms. Hilderbrand explained that the proposed language was intended to make the section more understandable to the vendors about the option.

- Senator Davis commented that he appreciated the proposed language, and apologized for any earlier misgivings he may have inferred.
- Senator Den Hartog asked whether the option to serve a regional area, rather than the whole state, was explained in solicitations? Ms. Hilderbrand stated that such explanation was built into a solicitation when necessary.
- Co-chair Anderson requested more detail regarding the phrase "functional and business requirements" as proposed in subsection (3). Ms. Hilderbrand offered examples, such as when body armor needed to be supplied - it needed not only to be functional but also to fit appropriately with that agency's uniform (e.g., a motorcycle officer); or when software was necessary for a function, but it also needed to be compliant with the agency's current software. In those situations, the items may meet the general requirement but a specific vendor may more efficiently/cost effectively meet the need of the agency. Co-chair Anderson cautioned that such determinations could be rather subjective.
- Co-chair Anderson then asked whether the item had to meet both requirements, as outlined in subsection (3)? Administrator Hilderbrand noted that the items did have to meet both requirements.
- Co-chair Anderson asked whether the requirement was considering the "value" of a trade of services or access to services from the vendor in the determination? Ms. Hilderbrand stipulated that such items or services had no place in the valuation or determination; the determination considered tangible, functional goods.

Co-chair Martin, recognizing the amount of information discussed during the meeting, asked whether the scheduled presenters had any additional comments for the committee? Mr. Watts requested a time line or future meeting for when the committee would like to hear from the political subdivisions again, once they had meet with their peers. Co-chair Anderson commented that the next scheduled meeting (Sept. 29) may be too soon for Mr. Watts to present again, and so proposed that Mr. Watts refine the proposed language and coordinate with the LSO staff for a future meeting.

Co-chair Anderson commented that time had been scheduled for public testimony, but that no one had signed in for the privilege. The meeting was adjourned at 3:02 p.m.