

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Thursday, January 17, 2019

TIME: 9:00 A.M.

PLACE: Room EW40

MEMBERS: Chairman Harris, Vice Chairman Armstrong, Representatives Crane, Palmer, Barbieri, Holtzclaw, Monks, Zito, Scott, Andrus, Hartgen, Young, Smith, Gannon, Green(18)

**ABSENT/
EXCUSED:** None

GUESTS: Genevieve J. Kelly; Michael T. Kelly; Sarah Hilderbrand, Valerie Bollinger, Division of Purchasing; Kate Haas, Kestrel West; Brody Aston, Westerberg Associates; Dennis Stevenson, Rules Coordinator, Jay Shaw, Administrative Rules

Chairman Harris called the meeting to order at 8:59 AM.

MOTION: **Rep. Green** made a motion to approve the minutes of the January 14th, 2019 meeting. **Motion carried by voice vote.**

RS 26515: **Rep. Chaney** presented **RS 26515**, proposed legislation that makes modifications to a bill passed last year regarding abortion complications. Revisions include a definition, provisions regarding a certain report, and declaring an emergency. There is no fiscal impact.

In response to committee questions regarding the fiscal note, **Rep. Chaney** stated that because this legislation is a follow-up to a bill already passed, it does not create a larger cause of action and will not affect the fiscal note of the legislation.

MOTION: **Rep. Crane** made a motion to introduce **RS 26515**.

**SUBSTITUTE
MOTION:** **Rep. Gannon** made a substitute motion to introduce **RS 26515** with an amended fiscal note which includes general costs for any litigation the legislation may cause.

Rep. Crane stated that he didn't take issue with the substitute motion, but inquired about whether it would violate Joint Rules with Senate that state a fiscal note should be brief.

Rep. Holtzclaw stated that Joint Rule 18 calls for fiscal notes to be concise and doesn't include what a potential liability would be.

**VOTE ON
SUBSTITUTE
MOTION:** **Chairman Harris** called for a vote on the substitute motion to introduce **RS 26515** with an amended fiscal note which includes general costs for any litigation the legislation may cause. **Motion failed by voice vote.**

**VOTE ON
ORIGINAL
MOTION:** **Chairman Harris** called for a vote on the original motion to introduce **RS 26515**. **Motion carried by voice vote. Reps. Smith, Green(18), and Gannon** requested they be recorded as voting **NAY**.

Chairman Harris turned the gavel over to **Vice Chair Armstrong**.

**DOCKET NO.
38-0501-1801:** **Sarah Hilderbrand**, Administrator, Division of Purchasing, presented **Docket No. 38-0501-1801**, Rules of the Division of Purchasing. She stated the Division of Purchasing began the negotiated rule making process and had invited state agencies and other interested parties to participate in discussions. She said a few revisions of the rules allow for competitive negotiations and other sections include housekeeping items, clarifications, modernization of language and other updates.

In response to committee questions regarding the negotiated rule making process, **Ms. Hilderbrand** stated in May 2018, the Division of Purchasing scheduled four meetings and invited agencies to attend. No interested parties were excluded from participating. No vendors had attended the meetings.

In response to committee questions regarding competitive negotiations, **Ms. Hilderbrand** stated a change in the rules would generate greater flexibility for the state, especially when soliciting IT contracts. Currently, there is not an opportunity to freely dialogue with qualified contractors, and a rule change would allow the state to address any ambiguities that may arise. She said the agency was planning to set-up a working group to establish the process for competitive negotiations. She stated there has been active vendor participation and feedback.

Kate Haas, Kestrel West, testified on behalf of IT Alliance for Public Sector in opposition to **Docket No. 38-0501-1801**. Ms. West stated the IT Alliance for Public Sector expressed concern regarding section 114 pertaining to the Information Technology Resale. Ms. Haas stated the wording of the rule is too broad, will prohibit "click-wrap" agreements, and cause operational issues.

In response to committee questions, **Julie Weaver**, legal counsel to the department, said the concerns are with who can make changes to the agreement and the rule clarifies the process for "click-wrap" agreements.

MOTION: **Rep. Crane** made a motion to reject **Docket No. 38-0501-1801**. **Motion carried by voice vote.**

Vice Chair Armstrong returned the gavel to **Chairman Harris**.

ADJOURN: There being no further business to come before the meeting, the meeting adjourned at 10:20 AM.

Representative Armstrong
Chair

Julia Grief
Secretary