

### **Guidelines for Submission of State University Policies Pursuant to 2026 House Bill 2560**

Policies submitted to the Board pursuant to 2026 House Bill 2560 in any of the areas below shall comply with the requirements set out in these guidelines.

The guidelines do not cover Section 1 (KSU land sale), Section 8 (contract review by Attorney General), Section 9 (Director of Purchases no longer signs university contracts), Section 10 (defunct Kansas Quality Management program), and Section 14 (a severability clause for the bill's provisions).

#### **Procurement of Architectural, Engineering, and Land Surveying Services (Sections 2, 4, 11)**

2026 House Bill 2560 requires that policies provide a qualification-based selection process for procuring contracts for architectural, engineering, and land surveying services. The Board expects the policies to detail:

1. A framework for the selection process, including procedures for providing public notice of solicitations and procedures for evaluating and selecting firms. The framework must demonstrate that price will not be a selection criteria.
2. A framework for fee negotiation process and guidelines for fees.
3. The conditions under which the framework's various processes, if more than one, will be used. For example, would there be a different process based upon funding source or project size. Under what conditions would deviations from the typical process be allowed, for example, emergency repairs.

#### **Procurement of Construction and Development Services (Section 2)**

2026 House Bill 2560 requires university procurement policies for construction services and development services to provide for a competitive bid process. The Board expects the policies to detail:

1. The frameworks for conducting procurement of Design-Bid-Build, Construction Manager At-Risk (CMAR), Design-Build, and Development services, including procedures for providing public notice of bid events and procedures for evaluating and selecting firms.
2. The conditions under which the framework's various processes will be used. For example, how will the university determine what delivery method to pursue? Would there be a different process based upon funding source or project size? Under what conditions would deviations from the typical process be allowed, for example, for emergency repairs?

#### **Additional Expectation for Procurement Policies**

The Board expects procurement-related policies submitted pursuant to 2026 House Bill 2560 to:

1. Require that the Board President and CEO, or their designee (typically the Board's director of facilities) be consulted before the selection of any firm providing architectural, engineering, land surveying, construction or development services in relation to a capital project for any new building or any major renovation that will result in additional space. The selection shall not be finalized without the approval of the Board President and CEO, or their designee, and the contract for any engagement that is subject to this requirement must be approved by the Board.
2. Require that the university annually, before October 1, provide a report in an approved list format to the Board detailing each engagement of any cost for architectural, engineering, land surveying, and construction services procured under these policies, including the name of the underlying capital project, the procurement method, the name of the professional/contractor/developer engaged, the length of the contract (or construction schedule for construction contracts), the dollar amount of such

engagement at the time the contract is made, and the actual cost of such engagement upon completion including but not limited to amendments, addenda, change directives, and change orders. The policy shall provide that the university will furnish any additional information regarding the procurement upon request to the Board President and CEO. The policy shall provide that the university will comply with any audit of any procurement(s) undertaken or required by the Board.

3. Require the university to establish and maintain a public facing, internet-accessible portal with timely updates indicating project status and upcoming procurement opportunities, similar in form and content as found at <https://buildui.facilities.uiowa.edu/buildui/bids> or <https://kansasdfm.geocivix.com/secure/>.
4. Prohibit unethical and illegal procurement practices, such as integration of partnerships directly within the procurement process, and outline procedures to guard against and monitor procurement operations for unethical and illegal procurement practices.

Additionally, the Board's approval of the universities' policies is contingent upon the university's continued adherence with such policies as authorized by 2026 House bill 2560 and provided for in these guidelines. If a university's procurement practices are found to be substantially out of compliance with its own policies, the Board President and CEO will certify the relevant policy rescission to the Board.

#### **Policies for Leases and Easements (Sections 3, 5, 6, 12)**

The Board expects policies regarding leases and easements submitted pursuant to 2026 House Bill 2560 to:

1. For leases,
  - A. Contain provisions specifically guiding the university's lease of state property as lessor and lease of non-state property as lessee.
  - B. Contain provisions calculated to ensure the university does not lease state property as lessor for below market value except as set out in the policy.
  - C. Require that leases be approved by university general counsel as to form.
2. For easements, require that easement documents be approved by university general counsel as to form.

#### **Policies for Official Hospitality (Section 7)**

Providing refreshments and meals can be a reasonable expense for conducting state university business when there is a clear business purpose (e.g., student recruitment, donor cultivation, and conferences or other continuing education events).

The universities must obtain Board approval for any revisions to their policy regarding official hospitality.

#### **Policies for Surplus Property (Sections 6, 12)**

Board policy was established in 2010 related to K.S.A. 75-6606 (c) for authorized disposition of surplus property. The policy directs the universities' local policies and procedures to address how the disposition of property and receipt of revenues will be documented and utilized.

The universities must obtain Board approval for any revisions to their policy regarding disposition of surplus property.

#### **Policies for Procurement of Goods and Services and Leases Pursuant to K.S.A. 76-769 (Section 13)**

Board Policy Manual Chapter II.D.15 and II.E.11 govern university procurement of goods and services and leases pursuant to K.S.A. 76-769. The universities must obtain Board approval for any revisions to their policies regarding procurement of goods and services for leases of real property pursuant to K.S.A. 76-769 that would

deviate from existing Board policy. Board policy on state university contracts (Ch. II, Sec. D 13) was originally established in May 1990 and amended in June 1995 to require reporting of contracts exceeding \$1.0 million to the Board's President and CEO. Board staff recommend Board policy be amended to increase the reporting threshold to an amount that is equivalent to \$1.0 million in 1990 dollars (\$2.5 million), strike an obsolete provision related to filing affiliate corporation financial reports with the Legislative Division of Post Audit which is no longer required by statute and simplify the provisions related to indirect cost recovery.