

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
55th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on February 4, 1997, at 3:00 p.m., in Room 312.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Edward J. "Ed" Grady, Vice Chairman (Majority) (R)
Rep. Joe Quilici, Vice Chairman (Minority) (D)
Rep. Beverly Barnhart (D)
Rep. Ernest Bergsagel (R)
Rep. Roger DeBruycker (R)
Rep. Gary Feland (R)
Rep. Don Holland (R)
Rep. John Johnson (D)
Rep. Royal C. Johnson (R)
Rep. Betty Lou Kasten (R)
Rep. Bob Keenan (R)
Rep. William T. "Red" Menahan (D)
Rep. Ray Peck (D)
Rep. Steve Vick (R)
Rep. William R. Wiseman (R)

Members Excused: Rep. John Cobb (R)
Rep. Matt McCann (D)

Members Absent: None.

Staff Present: Clayton Schenck, Legislative Fiscal Division
Marjorie Peterson, Committee Secretary

Committee Business Summary:

Hearing: HB 139
Executive Action: None.

HEARING ON HB 139

Opening Statement by Sponsor:

REP. EMILY SWANSON, HD 30, Bozeman, opened the hearing on HB 139, An act generally revising the law relating to public contracts, amending Montana procurement laws, eliminating preferences in the procurement process. She read a letter from former Representative Francis Bardanouve from Harlem. **EXHIBIT 1.**
{Tape: 1; Side: A; Approx. Tape Counter: 0.4.}

Proponents:

Lois Menzies, Director, Department of Administration, Helena. She offered her written testimony. **EXHIBIT 2.**

{Tape: 1; Side: A; Approx. Tape Counter: 9.4.}

Marvin Eicholtz, Administrator, Procurement and Printing Division, Department of Administration, Helena. Mr. Eicholtz gave a slide presentation on the bid and proposal process and an explanation of bid reform. He offered his written testimony and a Section-by-Section Comparison to Current Law on the Procurement Reform Bill. He also submitted a copy of the slides he showed the committee. **EXHIBITS 3, 4.**

{Tape: 1; Side: A; Approx. Tape Counter: 12.2.}

Tony Herbert, Administrator, Information Services Division, Department of Administration, Helena. Mr. Herbert offered his written testimony. **EXHIBIT 5.**

{Tape: 1; Side: A; Approx. Tape Counter: 24.7.}

Bill Gianoulias, Chief Defense Counsel, Department of Administration, Helena. Mr. Gianoulias offered his written testimony. **EXHIBIT 6.**

{Tape: 1; Side: A; Approx. Tape Counter: 33.3.}

Rosie Keller, University of Montana.

{Tape: 1; Side: A; Approx. Tape Counter: 39.9.}

Jim Campbell, City of Billings.

{Tape: 1; Side: A; Approx. Tape Counter: 40.8.}

Laurence Hubbard, State Compensation Insurance Fund, Department of Administration, Helena.

{Tape: 1; Side: A; Approx. Tape Counter: 42.1.}

Barbara Larsen, University of Montana. She offered written testimony from Peter Leech, Rural Institute on Disabilities, Missoula. **EXHIBIT 7.**

{Tape: 1; Side: A; Approx. Tape Counter: 42.8.}

Opponents:

Thane Johnson, Attorney for ISC Distributors, Inc., the unsuccessful bidder who is bringing suit against the Department of Administration. Mr. Johnson submitted a copy of 2-9-108 - 111, MCA, Liability Exposure and Insurance Coverage; a copy of a letter to Mike Price from the Department of Administration; a copy of a letter to Nyla Adams, from the Office of Systems and Computing Services, Montana State University; and a copy of a Vendor-ISC page from April 25, 1991. **EXHIBITS 8, 9, 10, 11.**

{Tape: 1; Side: B; Approx. Tape Counter: 0.7.}

Scott Johnson, ISC Distributors, Inc.

{Tape: 1; Side: B; Approx. Tape Counter: 12.8.}

Riley Johnson, National Federation of Independent Businesses.
{Tape: 1; Side: B; Approx. Tape Counter: 22.3.}

Bill DeWolf, Butte Produce Co., Butte.
{Tape: 1; Side: B; Approx. Tape Counter: 25.5.}

Carl Schweitzer, Montana Contractors Association, Helena. Mr. Schweitzer offered a copy of Sec. 18-1-102, MCA, State contracts to lowest bidder. EXHIBIT 12.
{Tape: 1; Side: B; Approx. Tape Counter: 29.0.}

Mike Hitchcock, Montana Broom and Brush Co., Butte.
{Tape: 1; Side: B; Approx. Tape Counter: 31.2.}

David Owen, Montana Chamber of Commerce, Helena.
{Tape: 1; Side: B; Approx. Tape Counter: 32.6.}

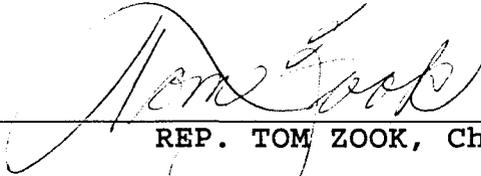
Neil Johnson, Cutbank.
{Tape: 1; Side: B; Approx. Tape Counter: 34.1.}

Questions From the Committee:
{Tape: 1; Side: B; Approx. Tape Counter: 35.4.}

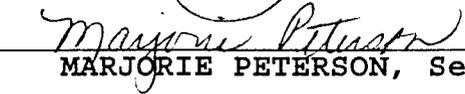
Closing by Sponsor:
REP. SWANSON closed the hearing on HB 139.
{Tape: 2; Side: A; Approx. Tape Counter: 29.4.}

ADJOURNMENT

Adjournment: 5:40 p.m.



REP. TOM ZOOK, Chairman



MARJORIE PETERSON, Secretary

TZ/MP