

JAN 25 2006

A BILL FOR AN ACT

RELATING TO PROCUREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. A procurement exemption for the natural energy
2 laboratory of Hawaii (NELHA) would make it more efficient in its
3 procurement process and enable it to attract more competent
4 service providers. Because NELHA is a unique agency that deals
5 with various cutting edge technology projects, it is sometimes
6 not practical for NELHA to go through the procurement code
7 process to select the best services from competent contractors
8 without long delays. Federal funds earmarked to NELHA are very
9 difficult to pass through to contracted agencies under
10 procurement code procedures. Allowing NELHA to make
11 procurements without the necessity of going through a bid process
12 would give NELHA the opportunity to work with universities and
13 laboratories conducting research on a continual contract basis,
14 particularly when federal monies are involved. NELHA is subject
15 to periodic federal government audits in connection with the
16 expenditure of federal funds.

17 The purpose of this Act is to grant a procurement exemption
18 for the natural energy laboratory of Hawaii.



1 SECTION 2. Section 227D-7, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The authority shall not be subject to [~~the~~
4 ~~requirements of chapter~~] chapters 103 and 103D for project
5 agreements, construction contracts, retail concession or
6 tour-related contracts, or other contracts unless a project
7 agreement with respect to a project or research and technology
8 park shall require otherwise."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.

12

INTRODUCED BY:

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SB. NO. 2995

Report Title:
Procurement Code

Description:
Exempts the natural energy laboratory of Hawaii from the procurement code.

