

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 3087

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 3087
entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to give flexibility to purchase
health care goods and services by amending the State Procurement
Code (Code) to:

- (1) Exempt purchases of medical equipment and services from
the Code requirements;
- (2) Establish the Chief Executive Office of the Hawaii
Health Systems Corporation (HHSC) as the Chief
Procurement Officer of HHSC; and
- (3) Increase the threshold amount for small purchases from
\$25,000 to \$100,000.

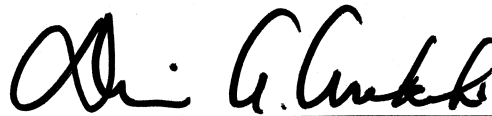
The Office of the Governor, several board members and staff
of HHSC, and several concerned individuals supported this bill.
The Department of Accounting and General Services and the State
Procurement Office testified in support of the designation of a
chief procurement officer for HHSC but had concerns with the
provisions exempting medical equipment and services and increasing
the small purchases threshold. The American Institute of
Architects Hawaii State Council and Diagnostic Laboratories



Services, Inc., opposed this measure. The State Procurement Office submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3087 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Respectfully submitted on
behalf of the members of the
Committee on Health,



DENNIS A. ARAKAKI, Chair



