

Honolulu, Hawaii

April 7, 2006

RE: S.B. No. 2897
S.D. 2
H.D. 3

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2897, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to improve and simplify the procurement process by:

- (1) Requiring small purchase procurements between \$25,000 and \$50,000 to be made:
 - (A) Through an electronic procurement system; and
 - (B) In accordance with established small purchase procurement rules and procedures;
- (2) Exempting the Department of Budget and Finance (B&F) from the Procurement Code when administering certain types of special purpose revenue bonds;
- (3) Exempting the High Technology Development Corporation (HTDC) from the Procurement Code when administering special facility revenue bonds solely for use by another party; and



- (4) Prohibiting government contracts from requiring construction design professionals to defend the governmental body from negligent acts, errors, or omissions committed by the governmental body.

The Finance Department of the County of Hawaii, HTDC, Coalition of Hawaii Engineering and Architectural Professionals, The Limtiaco Consulting Group, Hawaii Pacific Health, American Council of Engineering Companies, Building Industry Association of Hawaii, and Cedric D.O. Chong & Associates, Inc., testified in support of this bill. B&F, The State Procurement Office, Hawaiian Electric Company, Inc., Maui Electric Company, Limited, Hawaii Electric Light Company, Inc., The Queen's Health Systems, AIA Hawaii State Council, and Kauahikaua & Chun/Architects supported portions of this measure. The American Society of Civil Engineers, MK Engineers, Ltd., Miyashiro and Associates, Inc., Hawaii Pacific Engineers, Inc., Miyasato Kuniyoshi Engineers, LLC, MOSS Engineering, Inc., Parsons Brincherhoff Quade and Douglas, Inc., Gray, Hong, Nojima & Associates, Inc., Pacific Geotechnical Engineers, Inc., Engineering Solutions, Inc., Fukunaga & Associates, Inc., Aikinaka & Associates, Ltd., ECS, Inc., KAI Hawaii, Inc., and Finance Insurance, Ltd., supported this bill with amendments. The Hawaii Building and Construction Trades Council, AFL-CIO testified in opposition to this measure. The Department of Accounting and General Services offered comments.

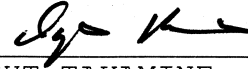
Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2897, S.D. 2, H.D. 3.



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



DWIGHT TAKAMINE, Chair



