

Honolulu, Hawaii

March 24, 2006

RE: S.B. No. 2898
S.D. 2
H.D. 2

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

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2898, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is improve the procurement process of the Hawaii Health Systems Corporation (HHSC) by establishing a chief procurement officer position for HHSC.

Several individuals from HHSC supported this bill. The State Procurement Office supported the intent of this measure.

The establishment of a chief procurement officer will enable HHSC to procure essential medical supplies and equipment in a timely and efficient manner so as to not jeopardize patient care and safety. However, your Committee finds that creating a new position of chief procurement officer within HHSC may be duplicative since HHSC currently has a chief executive officer who can serve as the chief procurement officer.

Your Committee also finds that increasing the amount for which a procurement of goods, services, or construction can qualify as a small purchase may expedite the procurement process.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that:

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- (1) Designates the chief executive officer of HHSC as the chief procurement officer of HHSC; and
- (2) Changes to \$50,000 the amount for which a procurement of goods, services, or construction can qualify as a small purchase.

Your Committee has further amended this measure by:

- (1) Changing the 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2898, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


KIRK CALDWELL, Chair



