

Honolulu, Hawaii

APR - 7 2006

RE: H.B. No. 3087
H.D. 2
S.D. 2

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 3087, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to expedite the purchase of necessary goods, services, and construction by the Hawaii Health Systems Corporation.

Specifically, the measure designates the chief executive officer of the Hawaii Health Systems Corporation as its chief procurement officer and raises the small purchase procurement ceiling from \$25,000 to \$50,000.

Your Committee finds that designating a chief procurement officer for the Hawaii Health Systems Corporation would facilitate the timely conformity with procurement requirements by the Hawaii Health Systems Corporation.

With regard to small purchases, your Committee finds that the measure brings into line the reality of the costs of goods and services with the threshold of small purchase contracts. However, based on the testimony submitted by the State Procurement Office, your Committee believes that, rather than simply raising the small purchase procurement ceiling to \$50,000, and making these purchases subject to procurement procedures established by rule, a similar solution could be established that would safeguard the



integrity of the procurement process while concomitantly providing the flexibility necessary to timely procure needed goods, services, and construction.

To this end, your Committee has amended the measure by stating that procurements with a value of \$25,000 or greater, but less than \$50,000, shall be subject to the small purchase procedures of the State Procurement Code. Your Committee has also amended the measure by changing the effective date from July 1, 2006, to July 1, 2050, to facilitate further discussions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3087, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3087, H.D. 2, S.D. 2.


Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


BRIAN T. TANIGUCHI, Chair



**The Senate
Twenty-Third Legislature
State of Hawaii**

**Record of Votes of the
Committee on Ways and Means
(Bills and Resolutions)**

Measure:*	Committee Referral:	Date:
HB 3087 HD2 SD1	TGO/HTH, WAM	4/3/06
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is to:		
<input type="checkbox"/> Pass, unamended (2312)	<input checked="" type="checkbox"/> Pass, with amendments (2311)	<input type="checkbox"/> Hold (2310)
<input type="checkbox"/> Recommit (2313)		
Members	Ayes	Ayes(WR)
Nays	Excused	
TANIGUCHI, Brian T. (C)	/	
TSUTSUI, Shan S. (VC)	/	
ENGLISH, J. Kalani	/	
ESPERO, Will	/	
FUKUNAGA, Carol	/	
HOOSER, Gary L.	/	
INOUE, Lorraine R.	/	
KANNO, Brian	/	
KIM, Donna Mercado	/	
KOKUBUN, Russell S.	/	
NISHIHARA, Clarence K.	/	
SAKAMOTO, Norman	/	
HEMMINGS, Fred	/	
SLOM, Sam	/	
TRIMBLE, Gordon		/
TOTAL	14	0
		0
		1
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

*Do not list more than one measure per Record of Votes.