

Honolulu, Hawaii

APR 28, 2006

RE: S.B. No. 2897
S.D. 2
H.D. 3
C.D. 1

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

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

Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2897, S.D. 2, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure 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 from the Procurement Code when administering certain types of special purpose revenue bonds;
- (3) Exempting the High Technology Development Corporation 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.

Special purpose revenue bonds are issued to assist health care facilities, manufacturing enterprises, processing enterprises, industrial enterprises, energy projects, early childhood education and care facilities serving the general public, and private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities serving the general public.

Your Committee finds that the exemption from the procurement code is warranted since no public moneys are involved in the issuance of special purpose revenue bonds. In addition, even the fees and costs involved in the issuance of special purpose revenue bonds and the administration of loan programs are borne by the borrower. Vendors, if any, are hired and paid by the borrower. Should the State incur any costs whatsoever in the issuance of special purpose revenue bonds, the borrower is required to reimburse the State for all such amounts.

Your Committee has amended this measure by:

- (1) Deleting the provision for small purchases, as it is contained in S.B. No. 2898, CD1;
- (2) Deleting the language relating to the duty to defend a governmental body, since there is a conflict between the Attorney General's opinion and the design professional's preference; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2897, S.D. 2, H.D. 3, as amended herein, and recommends



that it pass Final Reading in the form attached hereto as S.B.
No. 2897, S.D. 2, H.D. 3, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



JO RIKI KARAMATSU, Co-Chair


LORRAINE R. INOUE, Chair


MICHAEL Y. MAGAOAY, Co-Chair


BRIAN T. TANIGUCHI, Co-Chair


KYLE T. YAMASHITA, Co-Chair


CAROL FUKUNAGA, Co-Chair



Hawaii State Legislature

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 2897, SD 2, HD 3	Date/Time: <i>4-28-06</i>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure


The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

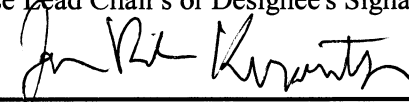
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
INOUE, Lorraine R., Chr.	✓				KARAMATSU, Jon Riki, Co-Chr.	✓			
TANIGUCHI, Brian T., Co-Chr.				✓	MAGAOAY, Michael Y., Co-Chr.	✓			
FUKUNAGA, Carol, Co-Chr.	✓				YAMASHITA, Kyle T., Co-Chr.	✓			
WHALEN, Paul	✓				MARUMOTO, Barbara C.	✓			
TOTAL	3			1	TOTAL	4			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


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