

STAND. COM. REP. NO.

2803

Honolulu, Hawaii

MAR - 3 2006

RE: S.B. No. 2897
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 S.B. No. 2897, 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 raise the small purchases ceiling under the Hawaii public procurement code from \$25,000 to \$50,000.

The measure also requires that small purchases be:

- (1) Solicited and transacted electronically over the Internet; and
- (2) Purchased from pre-qualified vendors whose bids and offers are solicited at random.

Your Committee finds that the measure brings the requirements of the State's procurement code in line with the reality of the costs of goods and services.

Your Committee has amended the measure by:

- (1) Designating the first two sections of the bill as Part I;



- (2) Creating a Part II that adds provisions that reinstate the exemption from the State's procurement code for the issuance of special purpose revenue bonds; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee finds that 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 believes 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.

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 S.B. No. 2897, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2897, 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:* SB 2897 SD1	Committee Referral: TGO, WAM	Date: 2/27/06		
<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	13	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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