

STAND. COM. REP. NO.

337

Honolulu, Hawaii

FEB 15 2007

RE: S.B. No. 1929
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Tourism and Government Operations, to which was referred S.B. No. 1929 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to allow the Chief Procurement Officer (CPO) to assess administrative fines for noncompliance with the Hawaii Public Procurement Code.

Your Committee received testimony in support of this measure from the State Procurement Office (SPO). Comments were received from the Department of Accounting and General Services (DAGS).

Your Committee finds that existing law is lacking in a provision for the assessment of administrative fines for noncompliance with procurement laws. While criminal sanctions exist that apply to providers of service and vendors of goods, such as termination of the contract, re-bid, debarment, and suspension, there are no administrative sanctions for anyone whose actions may not warrant criminal prosecution.

On the recommendation of the CPO, your Committee has amended this measure by deleting its contents and inserting an amendment to the penalties provision of the Hawaii public procurement code, and to make a conforming statutory amendment.

Your Committee notes the concerns of the DAGS to the effect that an appropriation for additional staff and consulting services

2007-1441 SSCR SMA.doc



is necessary to implement this measure and that public hearings are also necessary to adopt the rules required to effectuate this measure. While these concerns are noted, your Committee does not believe that any additional funding is necessary since this measure, as amended, keeps costs to a minimum. Your Committee believes that the adoption of administrative rules should not be difficult for DAGS, which has much experience in rule making. Nor does your Committee believe that revisions to other chapters of the Hawaii Revised Statutes are necessary since the violations are confined to the provisions of the procurement code.

As affirmed by the record of votes of the members of your Committee on Tourism and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1929, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Tourism and
Government Operations,


Clarence K. Nishihara

CLARENCE K. NISHIHARA, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Tourism and Government Operations
TSG

Bill / Resolution No.:* SB1929	Committee Referral: TSG, WAM	Date: 2-6-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <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	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	/			
KIM, Donna Mercado (VC)	/			
TSUTSUI, Shan S.	/			
TRIMBLE, Gordon		/		
TOTAL	3	1		
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes