

STAND. COM. REP. NO. 272

Honolulu, Hawaii
Feb 9, 2007

RE: H.B. No. 837
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred H.B. No. 837 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to allow legislative agencies to complete reports or studies to be submitted to the Legislature in a timely manner by providing an exemption to the Hawaii Public Procurement Code for services contracted by a legislative agency for this purpose.

The State Auditor, Legislative Reference Bureau, and Office of the Ombudsman testified in support of this bill. The Department of Accounting and General Services and State Procurement Office opposed this measure.

Your Committee heard testimony that legislative agencies typically have only a few months to prepare studies and reports that are requested during the regular session and that are due before the next regular session. The procurement process may take two months or more until a contractor is selected, which may interfere with the ability of the Legislature to obtain the information it needs in a timely fashion.

However, agencies that administer the Procurement Code stated that their professional service contract procedures allow agencies to procure services quickly by establishing a list of potential

HB837 HD1 HSCR EDB HMS 2007-2008



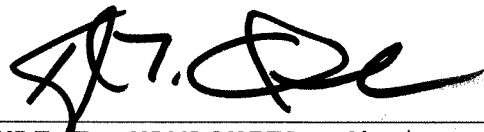
service providers in anticipation of legislative requests. Furthermore, in circumstances where the procurement process is not practicable or advantageous to the State, an exemption may be requested.

Upon consideration, your Committee believes that the Committee on Legislative Management is better suited to consider the issues raised by this bill and respectfully defers to its judgment on these matters. Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to allow further discussion of the measure; 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 837, H.D. 1, and be referred to the Committee on Legislative Management.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business
Concerns,



KYLE T. YAMASHITA, Chair



