

STAND. COM. REP. NO.

2499

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 1773  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Tourism and Government Operations, to which was referred S.B. No. 1773, 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 clarify the applicability of procurement, public meetings, open records, and financial disclosure laws to advisory committees convened to either make recommendations or expend public funds that amount to \$100,000 or more for procurement purposes.

Your Committee received testimony in support of this measure from the State Procurement Office; two Honolulu City Council Members; and one individual. Testimony in opposition was received from the Department of Accounting and General Services; Office of Information Practices; and Honolulu Department of Budget and Fiscal Services. Comments were received from the Hawaii State Ethics Commission.

The intent of this measure is to address the situation in which government executives or governmental bodies have established ad hoc "advisory committees" or similar groups that make recommendations for the procurement of goods or services. The creation of such advisory groups is not provided for under current law. Your Committee believes that at the very least, the operation of advisory groups and similar bodies should comply with the same laws that govern other governmental bodies. Your Committee finds that advisory groups are in effect tantamount to

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boards and commissions in the making of recommendations on procurement, although they may not have decision-making authority per se as provided in law.

Your Committee finds that such ad hoc advisory committees or similar groups should transact their business with openness, accountability, and transparency, as would any other board or commission.

Your Committee has amended this measure by:

- (1) Changing the term "advisory committee" to "selection committee" or similar entity, which testimony indicated is the correct application of the measure;
- (2) Exempting boards and commissions, and procurement selection, evaluation, and review committees, in the interest of avoiding statutory conflicts and because these groups were never intended to be covered by this measure;
- (3) Clarifying that the purchases or recommendations to purchase are on an ad hoc basis;
- (4) Amending the sections relating to open meetings and records law, rather than the general definitions sections, in the interest of targeting the application of the measure;
- (5) Making the measure apply to the counties with respect to county ethics laws;
- (6) Applying the measure retroactively to any advisory committee in existence as of date of the approval of this Act; and
- (7) Making technical, nonsubstantive amendments.

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. 1773, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.B. No. 1773, S.D. 2.



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

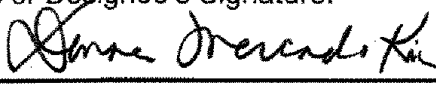
*Clarence K. Nishihara*

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.:*	Committee Referral:	Date:		
SB 1773, SD1	TSG, JDL	2-14-08		
<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				/
<b>TOTAL</b>	<b>3</b>			<b>1</b>
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	

\*Only one measure per Record of Votes