

STAND. COM. REP. NO.

2182

Honolulu, Hawaii

FEB 11 2008

RE: S.B. No. 2011
S.D. 1

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. 2011 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require any delegation of procurement authority to be in writing and filed with the Administrator of the State Procurement Office, and to make the designee answerable to the Administrator rather than to the Chief Procurement Officer.

Your Committee received testimony in opposition to this measure from the Department of Accounting and General Services and the State Procurement Office.

Your Committee has amended this measure by deleting the contents and inserting provisions to:

- (1) Require moneys received for trade missions and goodwill trips to be deposited into the general fund and disbursed pursuant to legislative appropriation;
- (2) Appropriate funds for trade missions and goodwill trips;
- (3) Require the State Procurement Office to develop a procurement training program with mandatory attendance by all procurement officers;



- (4) Make the comptroller an ex-officio non-voting member of State Procurement Policy Board;
- (5) Require the President of the Senate and Speaker of the House of Representatives to submit names of nominees to the Governor for appointments to the State Procurement Policy Board and repeal the requirement for a nominating committee;
- (6) Require the State Procurement Policy Board to appoint the Administrator of the State Procurement Office who also serves by law as the Chief Procurement Officer for the executive branch;
- (7) Require the State Procurement Office to make annual compliance audits of at least two randomly selected executive departments, divisions, or agencies, and require a report on the audits to the Legislature;
- (8) Place a time limit on bidders to comply with corrective action determinations rendered by the Administrator of the State Procurement Office; and
- (9) Require the Auditor to conduct procurement audit to determine implementation of and compliance with chapter 103D, Hawaii Revised Statutes, and makes an appropriation for the audit.

The intent of this measure, as amended, is to ensure increased accountability and honesty of government officials in making procurements. It is the responsibility of your Committee to exercise oversight of the Hawaii Public Procurement Code and your Committee believes that public moneys should be expended and procurements made in a fair, transparent, and value-oriented manner.

The provisions of this amended measure reflect due diligence on the part of the Legislature to fulfill its obligation to the public. Every provision in this amended measure will improve the intended operation 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. 2011, as amended herein, and recommends that



it pass Second Reading in the form attached hereto as S.B.
No. 2011, 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.:* SB 2011	Committee Referral: TSG, WAM	Date: 2-5-08		
<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				/
TOTAL	3			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				

*Only one measure per Record of Votes