

Honolulu, Hawaii

FEB 11 2008

RE: S.B. No. 2574
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. 2574 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require that any moneys received by, on behalf of, or for the benefit of a governmental body pursuant to a solicitation of funds by the governmental body to cover the costs and expenses of state-sponsored trips and other state-sponsored endeavors to generate business opportunities and goodwill for the State, to be deposited into the general fund and disbursed pursuant to legislative appropriation; and
- (2) Make an appropriation for costs and expenses of state-sponsored trips and other state-sponsored endeavors to generate business and goodwill for the State.

Your Committee received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism and the Department of Accounting and General Services.

Your Committee finds that any private moneys given to the State to pay for cost and expenses of state-sponsored trips to generate business opportunities and goodwill for the State, constitute "donations" to the State and become state funds. Only



in this manner can the State be sure that the private moneys are not given for ulterior purposes from persons or companies who seek to promote themselves for subsequent procurement opportunities.

The intent of this measure is to ensure that the procurement process is open and objective with no unfair advantages realized by persons or companies who are potential bidders by reason of a pre-existing relationship to the department or agency.

Your Committee has amended this measure by:

- (1) Clarifying that the moneys that are to be deposited in the general fund consist of moneys received by the State for trade missions and goodwill trips and exclude moneys received for payment of booths and participation fees for trade shows, and amending the appropriation accordingly;
- (2) Making the Comptroller an ex-officio non-voting member of the State Procurement Policy Board; and
- (3) 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. 2574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2574, 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, 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 2574	TSG, WAM	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			/
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes