

STAND. COM. REP. NO.

2175

Honolulu, Hawaii

FEB 11 2008

RE: S.B. No. 2823
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. 2823 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require the Procurement Policy Office to conduct compliance audits of at least two executive agencies per year and to initiate or conduct follow-up audits of executive agencies that utilize procurement procedures that are not in compliance with the state procurement code or otherwise authorized by law.

Your Committee received testimony in support of this measure from H2 Technologies, Inc.; Hawaii Angels; Global Education Trust; Archinoetics, LLC; Hawaii Venture Capital Association; Produced By You.com, LLC; PacifiCap Group; and two individuals. Testimony in opposition was received from the Comptroller and the State Procurement Office.

Existing law provides authority for the State Procurement Policy Board to conduct audits and to monitor the implementation of rules and the Hawaii public procurement code. However, your Committee finds that the Procurement Policy Office, in order to fully discharge its responsibilities, must take further steps to ensure compliance with chapter 103D, Hawaii Revised Statutes, by the executive agencies. Your Committee is concerned that not all procurements conform to law.

2008-1193 SSCR SMA.doc



The intent of this measure is to level the playing field in procurements to ensure that awards are made in conformance with standards and procedures.

Your Committee has amended this measure by:

- (1) Clarifying when the State Procurement Policy Board may conduct audits;
- (2) Making the Comptroller an ex-officio nonvoting 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. 2823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2823, 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:
BB 2823	TSG, WAM	2-5-08

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 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: Adopted 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