

STAND. COM. REP. NO.

2814

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2824  
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 Ways and Means, to which was referred S.B. No. 2824, 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 require the Auditor to conduct a compliance, performance, and management audit of the State Procurement Office and government purchasing agencies to ensure compliance with the Hawaii Public Procurement Code.

More specifically, the measure appropriates an unspecified amount of funds for the Auditor to contract with a private entity to conduct the audit and clarifies that the Comptroller serves as an ex-officio nonvoting member of the State Procurement Policy Board.

Your Committee finds that only one audit of the State's procurement practices has been performed since the public procurement code was codified in chapter 103D, Hawaii Revised Statutes, in 1993. That audit occurred in 1995, and your Committee believes that government purchasing practices are due for review. In addition to uncovering deficiencies and improprieties in state procurement, an audit would provide an analysis of how effectively the procurement code is being implemented and enforced. Your Committee believes that this measure will foster public confidence in the integrity of state government's expenditures of public moneys.

SB2824 SD2 SSCR LRB 08-2375-1.doc

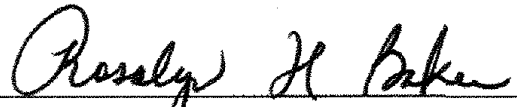


Your Committee has amended the measure by:

- (1) Inserting provisions of S.B. No. 2574, S.D. 1, to:
  - (A) Require that moneys received pursuant to a solicitation of funds by the State to cover costs and expenses of state-sponsored trade missions and goodwill trips be deposited into the general fund and disbursed by legislative appropriation; and
  - (B) Appropriates an unspecified amount of funds for costs of state-sponsored trips and endeavors to generate business opportunities and goodwill;
- (2) Inserting provisions of S.B. No. 2823, S.D. 1, to require the State Procurement Office to conduct compliance audits of at least two randomly-chosen executive agencies each year; and
- (3) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2824, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2824, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB2824, SD1</b>	Committee Referral: <b>TSG, WAM</b>	Date: <b>2/25/08</b>		
<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
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
INOUYE, Lorraine R.				/
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred			/	
WHALEN, Paul			/	
<b>TOTAL</b>	<b>9</b>	<b>0</b>	<b>2</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes