

STAND. COM. REP. NO.

2303

Honolulu, Hawaii

FEB 13 2008

RE: S.B. No. 2825  
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. 2825 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to allow the Administrator of the State Procurement Office, who is also the State's Chief Procurement Officer, to determine corrective actions to be taken to by governmental bodies in procurement matters, including the assessment of administrative fines.

Your Committee received testimony in support of this measure from the State Procurement Office; H2 Technologies, Inc.; Hawaii Angels; Global Education Trust; Archinoetics, LLC; Hawaii Venture Capital Association; Produced By You.com, LLC; PacifiCap Group; Kolohala Holdings LLP; and one individual. Testimony in opposition was received from the Department of Accounting and General Services.

Your Committee finds that governmental bodies are culpable at times for procurements that are not in compliance with law. Act 142, Session Laws of Hawaii 2007, provides general authority to the Chief Procurement Officer to assess fines against any person. The intent of Act 142 was to include state personnel under the term "any person".

The intent of this measure is to clarify that the Administrator of the State Procurement Office may assess fines in

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those instances against governmental bodies, including public employees, as well as to make determinations as to corrective actions.

Your Committee has amended this measure by:

- (1) Allowing the thirty day period for compliance to be extended by the Administrator of the State Procurement Office upon request of a procurement officer;
- (2) Adding a provision to make 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. 2825, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2825, S.D. 1, and be placed on the calendar for Third Reading.

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 2825	TSG	2-05-03

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	/			
<b>TOTAL</b>	<b>4</b>			

Recommendation:  Adopted     Not Adopted

Chair's or Designee's Signature:  


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\*Only one measure per Record of Votes