

STAND. COM. REP. NO. 408

Honolulu, Hawaii

Feb 19, 2009

RE: H.B. No. 961
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred H.B. No. 961 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to increase executive agency compliance with the Hawaii State Procurement Code (Procurement Code), by:

- (1) Requiring the State Procurement Policy Board (Board) to conduct an annual compliance audit of at least two executive agencies; and
- (2) Making the comptroller a non-voting member of the Board.

The Iron Workers Stabilization Fund supported this bill. The State Procurement Office and Department of Accounting and General Services opposed this bill.

Your Committee heard concerns that this bill without reason singles out the Executive Branch agencies, when there are 19 other procurement officer jurisdictions under the Procurement Code. To facilitate the objective of ensuring compliance with the Procurement Code and increase the fairness of this measure, your Committee has amended this bill to require a minimum of five annual audits of any department, division, or agency.

HB961 HD1 HSCR EBM HMS 2009-2035



In addition, to encourage further discussion, the effective date has been changed to July 1, 2112. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 961, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization, Business, &
Military Affairs,



ANGUS L.K. MCKELVEY, Chair



