

STAND. COM. REP. NO. 1224

Honolulu, Hawaii

March 27, 2009

RE: S.B. No. 705
S.D. 1
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 S.B. No. 705, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HAWAII PUBLIC PROCUREMENT CODE, "

begs leave to report as follows:

The purpose of this bill is to prepare the State to promptly use federal stimulus funds to benefit Hawaii's economy by establishing, until July 1, 2011:

- (1) An exemption from the bid, request for proposals, and professional services procedures of the Hawaii State Procurement Code, for a General Services Administration-approved sole source vendor in any procurement funded by state and federal matching funds where the vendor was responsible for obtaining the federal funding; and
- (2) That procurements of \$100,000 or less for goods and services, and construction contracts of less than \$250,000 secured by a performance bond, are to be treated as small purchases under section 103D-305, Hawaii Revised Statutes.

The State Procurement Office and Military Officers Association of America commented on this bill.

SB705 HD1 HSCR EBM HMS 2009-3228



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Upon consideration, your Committee has amended this bill by removing its substance and replacing it with that of H.B. No. 1470, H.D. 1, a measure that was reported out of your Committee earlier in this session.

As amended, this bill:

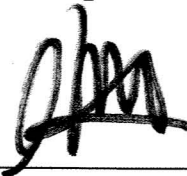
- (1) Exempts from the procurement code, contracts to procure goods, services, or construction from a source approved as the sole source by the federal government under a grant from the federal government in any procurement funded by state and federal matching funds or by federal funds alone; and
- (2) Is effective on July 1, 2020.

Technical, nonsubstantive amendments were also made for clarity and style.

Your Committee also respectfully requests the Committee on Finance, to which this bill is next referred, to work with the State Procurement Office on their suggested amendments.

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 S.B. No. 705, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 705, S.D. 1, 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



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 1224

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

| Bill/Resolution No.: <i>SDI SB 705 SSCR 577</i> | Committee Referral: <i>EBM, FIN</i> | Date: <i>3/19/09</i> | | |
|--|--|-----------------------------|------|---------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. | | | | |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) | | | | |
| EBM Members | Ayes | Ayes (WR) | Nays | Excused |
| 1. McKELVEY, Angus L.K. (C) | / | | | |
| 2. CHOY, Isaac W. (VC) | / | | | |
| 3. BERG, Lyla B. | | | | ✓ |
| 4. EVANS, Cindy | / | | | |
| 5. MANAHAN, Joey | / | | | |
| 6. TAKAI, K. Mark | | | | |
| 7. TOKIOKA, James Kunane | | | | ✓ |
| 8. TSUJI, Clift | / | | | |
| 9. WAKAI, Glenn | | | | ✓ |
| 10. WOOLEY, Jessica | / | | | |
| 11. WARD, Gene | / | | | |
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| TOTAL (11) | 7 | | | 3 |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div> | | | | |
| Vice Chair's or designee's signature: _____ <i>Sam Wooley</i> | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | |