

STAND. COM. REP. NO.

762

Honolulu, Hawaii

March 6, 2009

RE: H.B. No. 1184
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 1184, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE GOVERNMENT,"

begs leave to report as follows:

The purpose of this bill is to provide temporary exemptions from current statutes relating to procurement, rulemaking, and civil service employment to allow the State to expedite the implementation or expansion of programs, services, and benefits authorized by the federal American Recovery and Reinvestment Act of 2009 (ARRA).

The Governor, Department of Commerce and Consumer Affairs (DCCA), Department of Human Resources Development, Attorney General, Department of Labor and Industrial Relations, Department of Accounting and General Services, Department of Budget and Finance, Department of Human Services (DHS), and a concerned individual supported this bill. The Department of Taxation, State Procurement Office, and Subcontractors Association of Hawaii commented on this measure.

Your Committee has amended this bill by:

- (1) Clarifying in the purpose section the bill's compliance with ARRA's accountability and transparency provisions;

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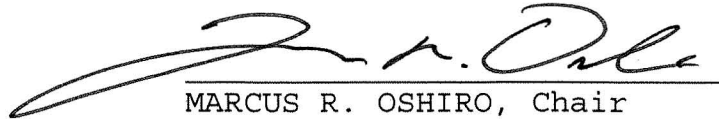
- (2) Clarifying that compliance with existing procurement laws is required unless federal funds would lapse under ARRA's timeframes;
- (3) Requiring the Governor, Mayor, or other Chief Executive, as appropriate, to give prior written notice to the Speaker of the House of Representatives, the President of the Senate and the general public (via the state procurement office website) describing the use of funds and the basis for its decision to use expedited procurement;
- (4) Providing that procurement under the expedited process shall be made through the electronic procurement system;
- (5) Inserting a definition of "best value" for purposes of bid selection;
- (6) Changing the persons who sit on the selection committee from any persons to government employees;
- (7) Providing that a contract is legally formed upon submission of an offer and acceptance by the government, and no further written agreement is required;
- (8) Revising the protest procedure so that a protest is first made to the chief procurement officer and appeal to a DCCA hearing officer is allowed;
- (9) Deleting the exemption from the requirement that a contractor submit a certificate of compliance with the prevailing wage law;
- (10) Deleting the appropriation of Temporary Assistance to Needy Family funds under ARRA to DHS;
- (11) Changing the repeal date to December 31, 2012; and
- (12) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1184, H.D. 1, as amended herein, and recommends that it pass



Second Reading in the form attached hereto as H.B. No. 1184, H.D. 2, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



