

Honolulu, Hawaii

APR - 1 2010

RE: H.B. No. 2441  
H.D. 2  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Judiciary and Government Operations, to which was referred H.B. No. 2441, H.D. 2, 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 exempt gifts to the State from being deemed a procurement contract and from requiring a procurement contract in order to be accepted by the State as a gift.

Written comments in support of the measure were submitted by one private organization. Written comments regarding the measure were submitted by the State Procurement Office. Written comments presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there have been instances, as detailed in comments submitted to your Committee, in which the provisions of the Public Procurement Code, codified at chapter 103D, Hawaii Revised Statutes, effectively prevented goods and services from being given to the State. Specifically, two private organizations offered to donate energy- and cost-saving equipment to state facilities that would have reduced energy use and saved taxpayers money. Although requiring a potential donee to go through the procurement process in order to donate goods or services to the State seems nonsensical, your Committee is nonetheless cognizant of the concerns of the State Procurement



Office that this measure may encourage a "donate to play" arrangement.

Your Committee notes that an earlier version of this measure, H.B. No. 2441, H.D. 1, contained provisions based upon recommendations developed by a task force established pursuant to Senate Concurrent Resolution No. 132, S.D. 1, Regular Session of 2009. Your Committee believes that these provisions should be incorporated back into the measure as received, in order to facilitate and expedite the procurement contract awards process for government projects.

Your Committee has amended this measure by:

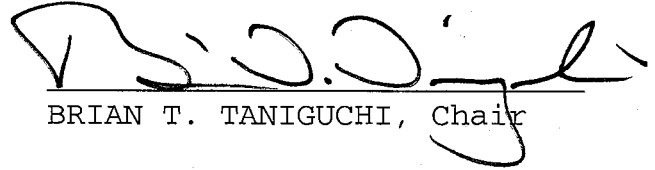
- (1) Inserting language from H.B. No. 2441, H.D. 1, as a new part I, which provides that:
  - (A) Notwithstanding any other statute or administrative rule relating to procurement, contracts for projects of the state departments of Hawaiian Home Lands and Transportation, county boards of water supply, and county departments of housing, planning and permitting, and transportation must be awarded within thirty days of the bid opening date, subject to certain terms and conditions; and
  - (B) Procurements for design professional services must be awarded within forty-five days of the bid opening date;
- (2) Inserting a sunset date of July 1, 2012;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion regarding, among other things, the time frame requirements for the expedited procurement award process; and
- (4) Making technical, nonsubstantive changes for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2441, H.D. 2, S.D. 1, as amended herein, and



recommends that it pass Third Reading in the form attached hereto as H.B. No. 2441, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Government Operations,



BRIAN T. TANIGUCHI, Chair



The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Judiciary and Government Operations**  
**JGO**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 244, HD2, SD1	HIA/WTL, JGO	3/30/10

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
TANIGUCHI, Brian T. (C)	✓			
TAKAMINE, Dwight Y. (VC)	✓			
BUNDA, Robert	✓			
GABBARD, Mike	✓			
NISHIHARA, Clarence K.	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	5	0	1	0

Recommendation:  Adopted     Not Adopted

Chair's or Designee's Signature:  


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\*Only one measure per Record of Votes