

STAND. COM. REP. NO.

1050

Honolulu, Hawaii

MAR 27 2009

RE: H.B. No. 347
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Higher Education, to which was referred
H.B. No. 347, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,"

begs leave to report as follows:

The purpose of this measure is to exempt the University of
Hawaii and the Board of Regents from the requirements of the
Hawaii Public Procurement Code, with certain exceptions.

Testimony in support was submitted by the University of
Hawaii System, University of Hawaii at Manoa Athletics Department,
and Hawaii Business Roundtable. The State Procurement Office;
Sheet Metal Contractors Association; Air Central, Inc.;
Subcontractors Association of Hawaii; and one individual submitted
testimony in opposition. The American Council of Engineering
Companies of Hawaii and American Public Works Association provided
comments. Written testimony presented to the Committee may be
reviewed on the Legislature's website.

Your Committee finds that this measure would give the
University of Hawaii a temporary exemption from specified
provisions of the Procurement Code. The University was previously
provided with procurement exemptions from 1998 through 2004, and
has requested similar provisions to expedite critical deferred
maintenance and capital renewal projects on all its campuses.



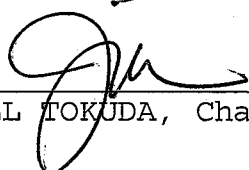
Your Committee has heard a number of concerns raised regarding the exemptions, particularly when other state agencies must comply with procurement requirements. Your Committee had requested that the University and the State Procurement Office work to resolve their differences and focus on the very specific concerns that might be addressed in this measure. While these discussions are ongoing, your Committee finds there is some agreement regarding protested solicitations and awards and the related administrative proceedings for review.

Your Committee has amended this measure accordingly, by:

- (1) Deleting the exemption for the University Hawaii and the Board of Regents for all but part X of chapter 103D, section 103D-304, and chapter 104, Hawaii Revised Statutes;
- (2) Exempting the University and the Board from small purchase requirements of less than \$250,000;
- (3) Requiring the University and the Board to implement an electronic procurement system for procurements in excess of \$25,000; and
- (4) Exempting the University and the Board from the bid protest and hearings provisions of sections 103D-701(f) and 103D-709(e), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 347, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 347, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education,

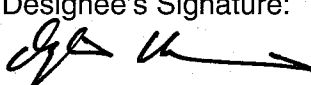


JILL TOKUDA, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:*	Committee Referral:	Date:		
HB347 HD2	HRE, JGD	3/24/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
SAKAMOTO, Norman (VC)				✓
BAKER, Rosalyn H.				✓
KOKUBUN, Russell S.	✓			
TAKAMINE, Dwight Y.	✓			
TANIGUCHI, Brian T.				✓
SLOM, Sam	h		✓	
TOTAL	3	0	1	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes