

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 1332
S.D. 2
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1332, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to continue to afford the University of Hawaii (UH) flexibility with respect to procurement in a manner that ensures accountability by:

- (1) Extending UH's exemption from the Hawaii Public Procurement Code (Procurement Code);
- (2) Imposing increased reporting requirements during the period of exemption;
- (3) Requiring the UH Board of Regents to submit to the Legislature a greater number of reports concerning UH's exemption from the Procurement Code;
- (4) Specifying that with respect to construction project bids with a total estimated contract value of \$1,000,000 or more, UH must require each bidder to submit a list of subcontractors who will perform work with a value exceeding one percent of the total bid amount;



- (5) Authorizing the Administrator of the State Procurement Office to determine corrective actions in the case of a complaint filed with the State Procurement Office regarding procurement at UH; and
- (6) Subjecting UH to the provisions of section 103D-206, Hawaii Revised Statutes, which authorizes the Administrator of the State Procurement Office to, among other things:
 - (A) Perform periodic reviews of UH procurement practices;
 - (B) Assist, advise, and guide UH in procurement matters; and
 - (C) Determine corrective actions.

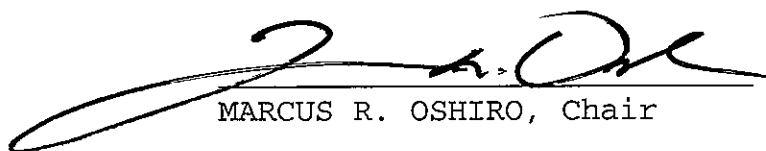
The State Procurement Office and Subcontractors Association opposed this bill. UH provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 1332, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1332, S.D. 2, H.D. 2.

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



MARCUS R. OSHIRO, Chair



