

STAND. COM. REP. NO. **2963**

Honolulu, Hawaii

MAR 23 2012

RE: H.B. No. 2265
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Public Safety, Government Operations, and Military Affairs, to which was referred H.B. No. 2265, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE PROCUREMENT CODE,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the sunset provisions of Act 175, Session Laws of Hawaii 2009 (Act 175), relating to the Hawaii Public Procurement Code, to make permanent:

- (1) The small purchases threshold of \$100,000 for goods or \$250,000 for construction and to require performance bond security for construction projects greater than \$50,000; and
- (2) Provisions relating to keeping statistics on protested procurement solicitations and awards, procedures for administrative review proceedings including the forty-five day limit to issue a written decision, and procedures for judicial review including a thirty-day limit for the circuit court to issue a decision.

Your Committee received testimony in support of this measure from the Department of Transportation; City and County of Honolulu Department of Budget and Fiscal Services; Kauai Department of Finance; Subcontractors Association of Hawaii; Sheet Metal Contractors Association; and Electrical Contractors Association of



Hawaii. Comments were received from the Hawaii Building and Construction Trades Council, AFL-CIO.

Your Committee finds that certain sections of Act 175 need to be made permanent for the sake of allowing more expeditious execution of procurements, especially procurements funded in part by federal stimulus funding.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to allow for further discussion; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2265, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2265, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Public Safety,
Government Operations, and
Military Affairs,



WILL ESPERO, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Public Safety, Government Operations, and
Military Affairs
PGM

Bill / Resolution No.:* HB 2265, HD2	Committee Referral: PGM, WAM	Date: 3-13-12		
<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
ESPERO, Will (C)	/			
KIDANI, Michelle N. (VC)	/			
BAKER, Rosalyn H.	/			
RYAN, Pohai	/			
SLOM, Sam				/
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes