

Honolulu, Hawaii

February 14, 2014

RE: H.B. No. 2442
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2442 entitled:

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

begs leave to report as follows:

The purpose of this measure is to add a new section to the Hawaii Public Procurement Code to prohibit the State from entering into a contract with any offeror, or any principal or subsidiary of the offeror, if within the seven years prior to the offer the offeror, principal, or subsidiary:

- (1) Has been convicted of or had a civil judgment rendered against it for the commission of any felony or other state or federal crime; or
- (2) Has been delinquent in the payment of federal taxes in an amount exceeding \$3,000, which remains outstanding.

The Community Alliance on Prisons and Community Alliance for Mental Health supported this measure. The State Procurement Office and Department of Budget and Fiscal Services of the City and County of Honolulu opposed this bill.

Your Committee has amended this measure by:

- (1) Deleting the proposed new section to the Hawaii Procurement Code and instead amending section 103D-702,

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Hawaii Revised Statutes, to require, as to opposed to authorize, the Chief Procurement Officer to debar a person from consideration for an award of public contracts for up to three years if the person has been convicted of certain state or federal crimes, or has been found in violation of certain contract provisions or ethical standards; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2442, H.D. 1, and be referred to the Committee on Finance.

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



KARL RHOADS, Chair



