

STAND. COM. REP. NO.

551

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 1126
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1126 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require the State Procurement Office to establish a statewide procurement database, accessible to each governmental body and consisting of data relating to any procurement contract provided by each governmental body. The measure also appropriates moneys to fund this purpose.

The Ulupono Initiative and the Hawaii Operating Engineers Industry Stabilization Fund provided testimony in support of this measure. The State Procurement Office and the Department of Budget and Fiscal Services, City and County of Honolulu, provided comments.

Your Committee has amended this measure by:

- (1) Removing the language that would have created a new statutory section in chapter 103D, Hawaii Revised Statutes, establishing a statewide procurement database; and



- (2) Inserting new language that:
- (A) Adds a purpose clause to clarify the measure's purpose of strengthening the centralized State Procurement Office's oversight authority for all government contracts in the State;
 - (B) Transfers the Procurement Compliance Audit Unit from the Office of the Auditor to the State Procurement Office, subject to periodic audits by the Office of the Auditor;
 - (C) Tasks the Compliance Audit Unit with establishing a database of meaningful statewide procurement data;
 - (D) Directs officers and employees of the State and each county to cooperate with the information gathering and research activities of the Unit involving contract data;
 - (E) Directs Chief Procurement Officers to coordinate with the State Procurement Administrator regarding procurement policy and to report contract data;
 - (F) Clarifies the State Procurement Office Administrator's duty to serve as a liaison to the Policy Board and Chief Procurement Officers on procurement policy matters and to represent the Compliance Audit Unit to legislative and policy-making bodies; and
 - (G) Requires contract modifications, change orders, or adjustment in contract price in specified circumstances to be submitted to the Chief Procurement Officer for approval, then to the State Procurement Officer Administrator for notification; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1126, as amended herein, and recommends that



it pass Second Reading in the form attached hereto as H.B. No. 1126, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 557

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1124	Committee Referral: CPC, FIN	Date: 02/13/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. WOODSON, Justin H. (VC)	✓			
3. BELATTI, Della Au	✓			
4. BROWER, Tom	✓			
5. CREAGAN, Richard P.	✓			
6. HAR, Sharon E.	✓			
7. HASHEM, Mark J.	✓			
8. KAWAKAMI, Derek S.K.				✓
9. LEE, Chris	✓			
10. NAKASHIMA, Mark M.	✓			
11. OSHIRO, Marcus R.	✓			
12. SAN BUENAVENTURA, Joy A.	✓			
13. TAKAYAMA, Gregg	✓			
14. YAMANE, Ryan I.	✓			
15. FUKUMOTO CHANG, Beth	✓			
16. MCDERMOTT, Bob	✓			
TOTAL (16)	15			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="margin-left: 100px;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				