

STAND. COM. REP. NO. **643**

Honolulu, Hawaii

**March 6**, 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 Finance, to which was referred H.B. No. 1126, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to improve the State's procurement process with increased transparency and accountability by, among other things:

- (1) Transferring the Compliance Audit Unit from the Office of the Auditor to the State Procurement Office, but requiring the Auditor to periodically audit the Compliance Audit Unit to ensure compliance;
- (2) Directing the Compliance Audit Unit to establish and maintain a database of meaningful statewide procurement contract data and participate in legislative hearings and policy board meetings to present its findings;
- (3) Directing the Administrator of the State Procurement Office to serve as a liaison to the Policy Board and Chief Procurement Officers on policy matters, including reporting on metrics for all rulemaking and legislative initiatives relating to procurement policy;
- (4) Requiring contract modifications, change orders, or contract price adjustments in specified circumstances to

HB1126 HD1 HSCR FIN HMS 2015-2198



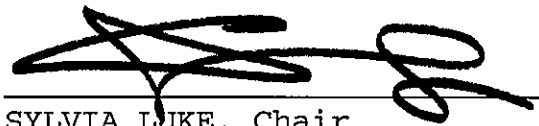
be submitted to the Chief Procurement Officer for approval, then the Administrator of the State Procurement Office for notification; and

- (5) Appropriating funds for the purpose of establishing a statewide procurement database.

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

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 H.B. No. 1126, H.D. 1, and recommends that it pass Third Reading.

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



SYLVIA LUKE, Chair



