

Honolulu, Hawaii  
February 5, 2016

RE: H.B. No. 2053

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 2053 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to establish a special innovative procurement process to provide the State with greater flexibility in the procurement of certain goods and services to meet unique or unusual needs or situations while maintaining the accountability and transparency afforded by the State Procurement Code.

The Department of Agriculture, Building Industry Association of Hawaii, Hawaii Food Policy Council, Ulupono Initiative, Local Food Coalition, Chamber of Commerce of Hawaii, Hawaii Cattlemen's Council, Inc., Hawaii Farm Bureau Federation, and a concerned individual testified in support of this measure. The State Procurement Office and Department of Transportation testified in support of the intent of this bill. The American Council of Engineering Companies provided comments.

Currently, when unique or unusual circumstances arise in the public procurement process, the State lacks the flexibility in the Hawaii Public Procurement Code to respond in an effective, efficient, and timely manner. According to the State Procurement Office, exemptions from the Code are provided in many of these instances, which has resulted in millions of dollars of goods and services being procured with minimal accountability. The creation



of a new process for the procurement of goods and services in these situations will provide the State with the flexibility it needs to balance the reality of an ever changing marketplace with the guiding principles of government contracting and the State's responsibility to the public.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2053 and recommends that it pass Second Reading and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



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DEREK S.K. KAWAKAMI, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

**HSCR43 -16**

**Record of Votes of the Committee on Economic Development & Business**

Bill/Resolution No.: <b>HB 2053</b>	Committee Referral: <b>EOB, FIN</b>	Date: <b>2 FEB 16</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. KAWAKAMI, Derek S.K. (C)	✓			
2. KONG, Sam Satoru (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.	✓			
6. DeCOITE, Lynn	✓			
7. ITO, Ken	✓			
8. OHNO, Takashi	✓			
9. ONISHI, Richard H.K.	✓			
10. TOKIOKA, James Kunane	✓			
11. TSUJI, Clift	✓			
12. WOODSON, Justin H.	✓			
13. MATSUMOTO, Lauren Kealohilani	✓			
14. WARD, Gene	✓			
<b>TOTAL (14)</b>	<b>14</b>			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Samuel S. King</i></u>				
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