

STAND. COM. REP. NO. 3112

Honolulu, Hawaii

MAR 24 2016

RE: H.B. No. 2053
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred H.B. No. 2053, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to provide the State with greater flexibility in the procurement of certain goods and services by:

- (1) Establishing a special procurement process to address new or unique requirements of the State, as determined by the Chief Procurement Officer; provided that notice of solicitation under the special procurement process is given in the same manner as provided in section 103D-302(c), Hawaii Revised Statutes;
- (2) Requiring the head of a purchasing agency to include a written determination of the basis for the special procurement and the selection of the particular contractor in the contract file; and
- (3) Requiring the chief procurement officer to submit a report to the State Procurement Office and make the report available at least annually to the public.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department



of Agriculture, Department of Transportation, State Procurement Office, Chamber of Commerce Hawaii, Hawai'i Farm Bureau, Hawai'i Food Policy Council, Hawai'i Green Growth, Local Food Coalition, Ulupono Initiative, and one individual.

Your Committee finds that when unique or unusual circumstances arise in the public procurement process, the Hawaii Public Procurement Code does not provide the State with flexibility to respond in an effective, efficient, and timely manner. Exemptions from the Public Procurement Code are provided in many of these instances and result in goods and services being procured with minimal accountability. Implementation of this measure will provide the State with greater flexibility in the procurement of certain goods and services while maintaining the accountability and transparency afforded by the State Procurement Code.

Your Committee has amended this measure by:

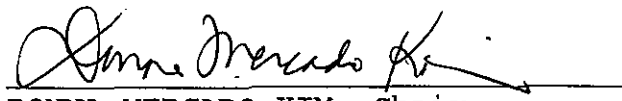
- (1) Requiring the head of a purchasing agency to prepare a procurement plan to document the process that will be used and why the special process is more advantageous to the State than other procurement methods, and submit the plan to the Attorney General or Corporation Counsel for review to ensure compliance with applicable laws;
- (2) Requiring the head of a purchasing agency or a designee to electronically post, for at least one year, public notice of special procurement contracts within seven days of the contract award, and include the name of the person or organization receiving the award, dollar amount of the contract, and name of the head of the purchasing agency or designee making the selection;
- (3) Requiring the State Procurement Office to submit a report of any special procurement reports received from a Chief Procurement Officer to the Legislature no later than twenty days prior to the convening of each Regular Session; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this



report, your Committee is in accord with the intent and purpose of H.B. No. 2053, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2053, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.


Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,


DONNA MERCADO KIM, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 2053 HD1</i>	<i>GVO, WTM</i>	<i>08-17-16</i>		
<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
KIM, Donna Mercado (C)	✓			
IHARA, Jr., Les (VC)	✓			
DELA CRUZ, Donovan M.				✓
KEITH-AGARAN, Gilbert S.C.	✓			
SHIMABUKURO, Maile S.L.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam				✓
TOTAL	<i>4</i>	<i>0</i>	<i>0</i>	<i>3</i>
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes