

Honolulu, Hawaii

March 27, 2015

RE: S.B. No. 1228  
S.D. 2  
H.D. 2

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 S.B. No. 1228, S.D. 2, 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:

- (1) Ensure the prudent and efficient use of taxpayer dollars by allowing the State greater flexibility in the procurement of goods and services in the case of unique or unusual needs or situations, while at the same time maintaining the accountability and transparency afforded in the State Procurement Code, by among other things:
  - (A) Establishing the special innovative procurement process for procurement of supplies, services, professional services, and construction;
  - (B) Requiring the Procurement Policy Board to establish procedures for use of the special innovative procurement process;
  - (C) Requiring the Procurement Policy Board to develop draft rules regarding special innovative procurements, including public-private partnerships in Hawaii, and to submit a report of its draft



rules and any proposed legislation to the 2017 Legislature; and

- (D) Appropriating funds for a temporary position to assist the Procurement Policy Board in drafting rules; and
- (2) Appropriate funds for the procurement of professional services needed to develop a master plan for facilities and lands under the jurisdiction of the Samuel Mahelona Memorial Hospital and Medical Center and Kauai Veterans Memorial Hospital.

The Office of the Mayor of the City and County of Honolulu, Kauai Regional Board of the HHSC, Ulupono Initiative, Local Food Coalition, and a concerned individual supported this measure. The State Procurement Office submitted comments.

Your Committee has amended this measure by:

- (1) Deleting construction contracts from the list of services that may be awarded using the special innovative procurement process;
- (2) Requiring the policy board to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, addressing compliance, best value, purchasing ethics, and minimum deviation from current procedures regarding sealed bids and proposals for construction contracts and professional services;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of 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 S.B. No. 1228, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1228, S.D. 2, H.D. 2.



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



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ANGUS L.K. MCKELVEY, Chair



