

Honolulu, Hawaii
March 18, 2016

RE: S.B. No. 2494
S.D. 2
H.D. 1

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 S.B. No. 2494, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to improve the efficiency and transparency of government contracting by:

- (1) Requiring the State Procurement Office to establish a statewide database containing government procurement contract data;
- (2) Requiring each governmental body to submit data relating to any procurement contract of the governmental body to the State Procurement Office; and
- (3) Appropriating funds to establish the statewide database.

The State Procurement Office testified in support of the intent of this measure.

The procurement of government products or services at times results in inconsistencies in the solicitation of such products or services and often contain a wide range of expectations pertaining to vendor proposals, both of which contribute to increased procurement processing time and decreased efficiency. Your Committee finds that providing access to meaningful metrics



through the establishment of a statewide database of all government procurement contracts will reduce inconsistencies for contracting practices and improve the efficiency, transparency, and accountability of government contracting.

Your Committee notes that the State Procurement Office has stated that, with adequate resources, it will be able to establish a "One-Stop Shop" type of database that will be a searchable database for both governmental bodies and the general public. The database would contain information retrieved from multiple databases and include summaries of contract data. However, your Committee was informed that, while some chief procurement officer jurisdictions have database systems accessible to the State Procurement Office to retrieve data from, some do not, and the costs of addressing these situations needs to be factored in when establishing the statewide procurement database.

Accordingly, your Committee has amended this measure by making the chief procurement officer of each jurisdiction responsible for any costs associated with the transmittal of data or establishment of data systems from which the State Procurement Office may collect any necessary information for the statewide procurement database.

Should your Committee on Finance deliberate on this measure further, your Committee on Economic Development & Business respectfully requests that it consider appropriating \$150,000 for the establishment of the "One-Stop Shop" statewide procurement database proposed by the State Procurement Office.

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 S.B. No. 2494, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2494, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



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



DEREK S.K. KAWAKAMI, Chair



