

STAND. COM. REP. NO. **2410**

Honolulu, Hawaii

**FEB 16 2018**

RE: S.B. No. 2390

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2390 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to establish that the requirements of ethical public procurement and the procurement code of ethics established by the Procurement Policy Board apply to all parties to procurement contracts that are otherwise exempted from the procurement code.

Your Committee received testimony in support of this measure from the State Procurement Office and one individual.


Your Committee finds that ethical behavior in the procurement process is paramount for maintaining public confidence in government. Under existing law, certain parties to procurement contracts are exempt from the provisions of the procurement code, including the requirements of ethical public procurement and the procurement code of ethics. Your Committee finds that these existing exemptions leave open the possibility of unethical behavior relating to the negotiation, performance, or administration of certain procurement contracts. Therefore, your Committee finds that the procurement code should be amended to specify that notwithstanding any other exemptions from the requirements of the procurement code all parties to procurement contracts made pursuant to the code should meet the requirements



of the ethical procurement and the procurement code of ethics to ensure proper and accountable government functioning.

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 S.B. No. 2390 and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

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



DONNA MERCADO KIM, Chair



