

STAND. COM. REP. NO.

2414

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2602

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. 2602 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the State Procurement Policy Board to annually review and examine procurement contracts of at least two executive department, division, or agency contracts that are over \$50,000; and
- (2) Require the State Procurement Policy Board to randomly perform compliance examinations of government purchasing agencies and examinations of agencies selected based on a pattern of agency noncompliance.

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

Your Committee finds that ensuring compliance with the state procurement code is essential for maintaining public confidence in government. Your Committee finds that one way to increase government accountability in the procurement process is for the State Procurement Policy Board to conduct annual and random reviews of government purchasing agencies. Your Committee further



finds that the conduct of these types of reviews will allow the State Procurement Policy Board to more closely monitor agencies for compliance with the procurement code and serve as a means for consistently reviewing agencies' compliance with the code. Moreover, your Committee finds that these proposals will increase governmental compliance, efficiency, and transparency.

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. 2602 and recommends that it pass Second Reading 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-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Government Operations**  
**GVO**

Bill / Resolution No.:* <i>SB 2602</i>	Committee Referral: <i>GVO, WAM</i>	Date: <i>2/13/18</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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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)	X			
RUDERMAN, Russell E. (VC)	X			
GALUTERIA, Brickwood	X			
KEITH-AGARAN, Gilbert S.C.				X
RHOADS, Karl	X			
<b>TOTAL</b>	<i>4</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes