

STAND. COM. REP. NO. 569-22

Honolulu, Hawaii

FEB 18 , 2022

RE: H.B. No. 2504
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred
H.B. No. 2504 entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT CONTRACTS,"

begs leave to report as follows:

The purpose of this measure is to require all state departments and agencies to report the names of entities awarded a contract and the criteria used to select the awardee to the Legislature no later than thirty days before a contract is effectuated.

Your Committee received testimony in opposition to this measure from the Department of Accounting and General Services and State Procurement Office. Your Committee received comments on this measure from the Department of Human Services and Department of Transportation.

Your Committee finds that this measure will increase transparency and accountability in government contracting by providing the Legislature with details on how state contracts are awarded to an entity in a timely manner.

Your Committee has amended this measure by:

2022-1422 HB2504 HD1 HSCR HMSO-1



- (1) Clarifying that all departments and agencies shall report the names of entities awarded a contract with a total contract value of an unspecified amount to the Legislature; and
- (2) Changing its effective date to July 1, 2112, to encourage further discussion.

While your Committee appreciates the real world fact that to make every state contract applicable to the law proposed by this measure would be unwieldy in execution, your Committee still finds that notification of large scale contracts that have a profound impact should be given to the Legislature at least thirty days before the contract takes effect, to provide greater oversight into these large, expansive contracts.

Should your Committee on Consumer Protection & Commerce choose to deliberate on this measure further, your Committee respectfully requests that it consider \$1,000,000 as the contract value threshold that would trigger a state department or agency to report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2504, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



ANGUS L.K. MCKELVEY, Chair



