

STAND. COM. REP. NO.

256

Honolulu, Hawaii

FEB 12 , 2021

RE: H.B. No. 849  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred  
H.B. No. 849 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to assist in the  
administration of procurement contracts in the State by:

- (1) Establishing a Contract Administration Office;
- (2) Requiring the Procurement Policy Board to adopt rules  
for the administration of contracts; and
- (3) Requiring the State Procurement Office to submit a  
progress report to the Legislature.

Your Committee received testimony in support of this measure  
from two individuals. Your Committee received testimony in  
opposition to this measure from the Department of Accounting and  
General Services and State Procurement Office.

Your Committee finds that the efficiency, quality, and  
administration of procurement contracts for capital improvement  
projects in the State is necessary and important to the economy.

2021-1524 HB849 HD1 HSCR HMSO-1



Your Committee has amended this measure by:

- (1) Inserting a sunset date of June 30, 2026;
- (2) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that concerns were raised in testimony before your Committee that the establishment of a Contract Administration Office will duplicate many of the contract administrative functions currently discharged by several agencies. Due to these concerns, your Committee amended this measure to insert a sunset date of June 30, 2026, which, along with the State Procurement Office's report to the Legislature of the Regular Session of 2022, will allow for further evaluation of the effectiveness of the Contract Administration Office.

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. 849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 849, 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



