

STAND. COM. REP. NO. 1450-22

Honolulu, Hawaii

, 2022

MAR 24

RE: S.B. No. 2383
S.D. 2
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
S.B. No. 2383, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE PROCUREMENT POLICY
BOARD,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the composition and experience requirements for members of the State Procurement Policy Board, including requiring the Governor to appoint four members and the President of the Senate and Speaker of the House of Representatives to each appoint one member; and
- (2) Repeal the Policy Board Nominating Committee.

Your Committee received testimony in support of this measure from the Hawai'i Alliance of Nonprofit Organizations. Your Committee received comments on this measure from the State Procurement Office, Department of Budget and Fiscal Services of the City and County of Honolulu, Board of Directors of the Honolulu Authority for Rapid Transportation, and General Contractors Association of Hawaii.

2022-2609 SB2383 HD1 HSCR HMSO-1



Your Committee finds that boards and commissions provide an opportunity for the public to have a voice in government and provide a means to influence decisions that shape the quality of life for the residents of Hawaii. However, vacancies on these boards and commissions impede the ability of some agencies to fulfill their duties. Your Committee notes that the State Procurement Policy Board is one example where vacancies have left vital tasks of the Board pending. This measure changes the appointment process for the Board to facilitate and increase efficiency in the procurement process in Hawaii.

Your Committee additionally finds that, as currently drafted, this measure would give a majority of the appointment of members of the State Procurement Policy Board to the executive branch and create an imbalance between the separate and equal legislative and executive branches. Therefore, your Committee believes that amending this measure to require two appointments to be made by the Speaker of the House of Representatives, two appointments to be made by the President of the Senate, and two appointments to be made by the Governor to ensure that both legislative chambers and the executive branch have an equal say in the nominating process. Furthermore, your Committee also believes it to be in the State's interest to require that at least one member have experience in chapter 103D, Hawaii Revised Statutes, specifically concerning contracting. While the current Comptroller does fill this role, there may be times in the future where a comptroller may not be versed in this area.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the Governor, President of the Senate, and Speaker of the House of Representatives shall each appoint two members to the State Procurement Policy Board;
- (2) Inserting language to require one member of the State Procurement Policy Board to have significant, high-level experience with the Hawaii Public Procurement Code; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Judiciary & Hawaiian Affairs, should it choose to deliberate on



this measure, to consider reducing the number of members on the State Procurement Policy Board, as reaching a quorum of four for the current seven-member Board is challenging, as noted by the State Procurement Office's testimony before your Committee.

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 S.B. No. 2383, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2383, S.D. 2, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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



ANGUS L.K. McKELVEY, Chair



