

Honolulu, Hawaii

APR 22 2010

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RE: S.B. No. 506  
S.D. 1  
H.D. 3  
C.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 506, S.D. 1, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to provide that, in any contract pursuant to section 264-33, Hawaii Revised Statutes, which relates to the State's or county's obligation to pay for work required to relocate utility facilities due to work on a state highway or a state or county federal-aid highway that involves not only state or county funds, but also supplemental funds from the utility, the utility's portion of the required funds is also subject to certification in section 103D-309, Hawaii Revised Statutes, as to the sufficiency of funds, and certification is to be based on amounts to be paid by a utility under a legal agreement with the State or county.



Your Committee on Conference finds that, in the past, disagreements between the State and utilities on the interpretation of section 103D-309, Hawaii Revised Statutes, have resulted in the State requiring utilities to provide funds upfront. The proposed changes to section 103D-309, Hawaii Revised Statutes, will allow utilities to make progress payments instead of providing the funds up front, a transaction format that they would prefer, provided that a memorandum of agreement is reached with the state or county agency. This will allow the utilities to also hold onto their funds until the actual utility work is physically started, which can sometimes be one to two years after the original funds were required for certification. This arrangement would be a much fairer relationship between the utilities and the State or counties.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2010.

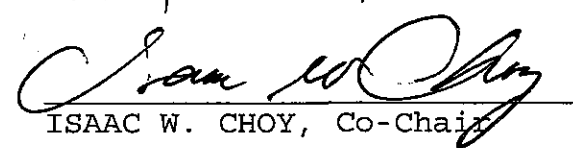
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 506, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 506, S.D. 1, H.D. 3, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

  
ANGUS L.K. MCKELVEY, Co-Chair

  
ROBERT N. HERKES, Co-Chair

  
ISAAC W. CHOY, Co-Chair

ON THE PART OF THE SENATE


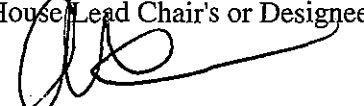
  
BRIAN T. TANIGUCHI, Chair



## Hawaii State Legislature

Record of Votes of a  
Conference Committee

79-10

Bill / Concurrent Resolution No.: <b>SB 506, SD 1, HD 3</b>					Date/Time: <b>April 19, 2010 4:00pm</b>				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
TANIGUCHI, Brian T., Chr.	✓				MCKELVEY, Angus L.K., Co-Chr.	✓			
TAKAMINE, Dwight Y.				✓	HERKES, Robert N., Co-Chr.	✓			
SLOM, Sam	✓				CHOY, Isaac W., Co-Chr.	✓			
					WARD, Gene	✓			
TOTAL	2			1	TOTAL	4			
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
									
Distribution: Original					Yellow				
File with Conference Committee Report					House Clerk's Office				
					Pink				
					Senate Clerk's Office				
					Goldenrod				
					Drafting Agency				