

STAND. COM. REP. NO. 3349

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2265  
H.D. 2  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2265, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to facilitate the efficient purchasing of goods, services, and construction by public agencies.

Specifically, the measure makes permanent the amendments made to section 103D-305, Hawaii Revised Statutes, by Act 175, Session Laws of Hawaii 2009, that:

- (1) Increase the limits on procurements qualifying for certain small purchase procedures to \$100,000 for goods or services and \$250,000 for construction;
- (2) Provide that procurements greater than \$50,000 for construction require performance bonds; and
- (3) Require procurements of \$25,000 to less than \$100,000 to be made in accordance with small purchase procedures.

Written comments in support of this measure were submitted by the State Procurement Office; the Department of Finance, County of Kauai; and the General Contractors Association of Hawaii.



Your Committee finds that certain sections of Act 175 need to be made permanent to allow more expeditious execution of procurements, particularly procurements funded in part by federal stimulus funding. Your Committee also finds that an electronic procurement system is the fairest, most efficient, time saving method of procuring small purchases. Electronic procurement ensures the greatest amount of competition by electronically notifying all prospective bidders in an open and transparent environment. Your Committee believes that electronic procurement should apply to a wider range of procurements.

Your Committee has amended this measure by amending section 103D-305, Hawaii Revised Statutes, to:

- (1) Clarify the responsibility of procurement officers;
- (2) Require procurements greater than \$50,000 for construction to require performance and payment bonds;
- (3) Increase the procurement ceiling for purchases to be made in accordance with small purchase procedures from \$100,000 to \$250,000; and
- (4) Delete unnecessary language that required that rules and training occur prior to executing small purchase procurements through an electronic system since applicable rules and training are already in place.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2265, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2265, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2265 HD2 SD1	PGM, WAM	3-28-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado				/
KAHELE, Gilbert	/			
KOUCHI, Ronald D.				/
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
<b>TOTAL</b>	12	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
<b>Distribution:</b> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <span>Original File with Committee Report</span> <span>Yellow Clerk's Office</span> <span>Pink Drafting Agency</span> <span>Goldenrod Committee File Copy</span> </div>				

\*Only one measure per Record of Votes