STAND. COM. REP. NO. 509-22 Honolulu, Hawaii FEB 18 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:



STAND. COM. REP. NO. 569 -22 Page 2

- 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



State of Hawaii House of Representatives The Thirty-first Legislature

HSCR569-22

## **Record of Votes of the Committee on Government Reform**

| Bill/Resolution No.:<br>HB 2504 G  | e Referral: | Date:                    | 2 -11 - 2  | 22   |
|--|-------------|--------------------------|--|--|
| The committee is reconsidering its previous decision on the measure.   |             |                          |  |  |
| The recommendation is to:  |             |                          |  |  |
| <b>GVR Members</b>   | Ayes        | Ayes (WR)                | Nays   | Excused  |
| 1. McKELVEY, Angus L.K. (C)  |             |                          |  |  |
|  |             |                          |  |  |
| 2. WILDBERGER, Tina (VC)   |             |                          |  |  |
|  |             |                          |  |  |
| 3. ELI, Stacelynn K.M.   |             |                          |  |  |
|  |             |                          | an a   |  |
| 4. ICHIYAMA, Linda   |             |                          |  |  |
| 5. MIZUNO, John M.   |             |                          |  |  |
|  |             |                          |  |  |
| 6. WOODSON, Justin H.  |             |                          | <u>Mail XIII as ta Bairda an an</u>  |  |
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| 7. YAMASHITA, Kyle T   | 7           |                          | luft, til tri − i nom i nitklin luftkt – film rond 1974  |  |
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| 8 WARD, Gene   |             |                          | Burning and a state of the stat | 1. de concernent attemptement per service - Pert |
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| TOTAL (8)  | 8           | $\overline{\mathcal{A}}$ | Ø  | X  |
| The recommendation is:  Adopted  Not Adopted    If joint referral,   |             |                          |  |  |
| Vice Chair's or designee's signature:  |             |                          |  |  |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO |             |                          |  |  |