

STAND. COM. REP. NO.

3042

Honolulu, Hawaii

APR - 1 2010

RE: H.B. No. 347
H.D. 2
S.D. 2

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

Madam:

Your Committee on Judiciary and Government Operations, to which was referred H.B. No. 347, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,"

begs leave to report as follows:

The purpose of this measure is to provide certain exemptions for the University of Hawaii or the Board of Regents of the University of Hawaii (collectively, the University) from the Hawaii Public Procurement Code, chapter 103D, Hawaii Revised Statutes, by:

- (1) Increasing the small purchases ceiling in section 103D-305, Hawaii Revised Statutes from \$50,000 to \$250,000;
- (2) Requiring the University to implement an electronic procurement system for procurements of less than \$25,000; and
- (3) Exempting the University from bid protests and hearings provisions under sections 103D-701 and 103D-709, Hawaii Revised Statutes.

Written comments in support of the measure were submitted by the University and one individual. Written comments in opposition to the measure were submitted by the State Procurement Office and



one private organization. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the intent of this measure is to assist the University in implementing much needed deferred maintenance and capital renewal projects on all of their campuses more quickly, by shortening delays in the contracting and procurement process. The University submitted testimony indicating that it has a deferred maintenance backlog in excess of \$350,000,000, the projects for which are already identified, involve little in the way of permitting, and are ready to launch quickly, thus putting Hawaii's construction workers to work.

Your Committee has amended this measure by:

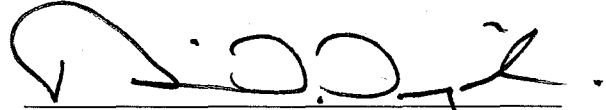
- (1) Deleting sections 1 and 4 of the measure, because Act 175, Session Laws of Hawaii 2009 (Act 175), has already temporarily increased the small purchases ceiling in section 103D-305, Hawaii Revised Statutes, from \$50,000 to \$100,000 for goods or services and \$250,000 for construction procurements;
- (2) Retaining the sunset date of July 1, 2012, for the measure, which will essentially institute a two-year pilot program;
- (3) Inserting an effective date of July 1, 2050, to ensure further discussion; and
- (4) Making technical, nonsubstantive changes for purposes of consistency and integration with the provisions of and amendments to the Hawaii Revised Statutes as enacted under Act 175.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 347, 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. 347, H.D. 2, S.D. 2.



3042

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Government Operations,

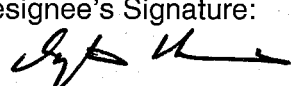


BRIAN T. TANIGUCHI, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Judiciary and Government Operations
JGO

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|--|--|-------------------------|----------|----------|
| Bill / Resolution No.:* HB 347, HD 2, SD 1 | Committee Referral: HRE, JGO | Date: 3/23/10 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| TANIGUCHI, Brian T. (C) | ✓ | | | |
| TAKAMINE, Dwight Y. (VC) | ✓ | | | |
| BUNDA, Robert | | | | ✓ |
| GABBARD, Mike | ✓ | | | |
| NISHIHARA, Clarence K. | | | ✓ | ✓ |
| SLOM, Sam | | | ✓ | ✓ |
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| TOTAL | 3 | 0 | 1 | 2 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature:  | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes