

STAND. COM. REP. NO.

610

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 1332

S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Public Safety, Government Operations, and Military Affairs, to which was referred S.B. No. 1332, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAI'I,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the provisions of Act 82, Session Laws of Hawaii 2010, which exempts the University of Hawai'i from specific provisions of the Hawaii Public Procurement Code, with certain exceptions, until July 1, 2015. This measure also adds requirements for the report of the University of Hawai'i to the Legislature as required under Act 82.

Your Committee received testimony in support of this measure from the University of Hawai'i System. Your Committee received testimony in opposition to this measure from the State Procurement Office.

Your Committee finds that Act 82, Session Laws of Hawaii 2010, was enacted to afford the University of Hawai'i flexibility to pilot revisions to its procurement procedures in order to accelerate the acquisition of goods, services, and construction while obtaining best value and maintaining transparency and fairness in the procurement process. Your Committee further finds that because new construction projects often take longer than the two year window afforded by Act 82, an extension of Act 82 will provide the University of Hawai'i with a more reasonable amount of



time to examine performance indicators and determine the effectiveness of its procurement process.

Your Committee concurs with your Committee on Education in that the Legislature needs more specific information on the nature and extent of ongoing construction projects of the University of Hawai'i, including a list of contracts, a description of the status of procured projects, and the costs of the projects. Your Committee believes that it is a function of the Legislature to hold agencies accountable for expenditures of public funds, and therefore the Legislature needs to be provided with certain information regarding those construction projects.

Furthermore, your Committee's intent is for the reports to be an informational tool to enable your Committee to enact revisions to the Hawaii Public Procurement Code to improve procurement not only for the University of Hawai'i but also for all agencies.

Your Committee has amended this measure by:

- (1) Moving up the sunset date of Act 82 from July 1, 2015, to July 1, 2014, thereby shortening the period for the University's procurement exemptions and annual reporting requirements;
- (2) Requiring the Board of Regents to consult with the State Procurement Office for purposes of proposing legislative recommendations and statutory amendment changes;
- (3) Limiting the projects subject to reporting requirements under this measure to construction projects in excess of \$3,000,000, and removing the reporting requirement for informal complaints from subcontractors;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (5) Deleting unnecessary statutory amendment provisions.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1332, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1332, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Public Safety,
Government Operations, and
Military Affairs,

Will Espero

WILL ESPERO, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Public Safety, Government Operations, and
Military Affairs
PGM

Bill / Resolution No.:* SB 1332 SD 1	Committee Referral: EDU, PGM	Date: 3-3-11		
<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
ESPERO, Will (C)	✓			
KIDANI, Michelle N. (VC)				✓
BAKER, Rosalyn H.	✓			
RYAN, Pohai	✓			
SLOM, Sam				✓
TOTAL	3			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