

STAND. COM. REP. NO.

**1516**

Honolulu, Hawaii

**APR 12 2013**

RE: S.R. No. 58  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.R. No. 58, S.D. 1, entitled:

"SENATE RESOLUTION REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD INCREASE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION PROJECTS,"

begs leave to report as follows:

The purpose and intent of this measure is to study the cost impacts of the public procurement process, including bid preferences, on public works construction projects in relation to promoting economy, efficiency, effectiveness, and impartiality in state and county procurement.

Specifically, the measure requests the Comptroller to assemble a task force of stakeholders to analyze various effects of the state procurement code, propose amendments, and report its findings to the Legislature.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, State Procurement Office, Office of Hawaiian Affairs, and the General Contractors Association of Hawaii.

Your Committee received written comments on this measure from the Department of Education.

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Your Committee finds that Hawaii's public procurement code has been subject to numerous statutory changes over the years, creating a complex process for public agencies to purchase goods and services.

Your Committee believes that it would be beneficial for a task force of interested parties to undertake a review of the procurement process to identify factors that may cause delays or cost increases, in order to improve the efficiency of public procurement in Hawaii.

Your Committee has amended this measure by clarifying, in the description of the public procurement process, that the Procurement Policy Board adopts rules to implement procurement law and the State Procurement Office implements the law.

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 concurs with the intent and purpose of S.R. No. 58, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 58, S.D. 2.

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

  
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DAVID Y. IGE, Chair



