

STAND. COM. REP. NO. 179

Honolulu, Hawaii

MAR 05 2021

RE: S.B. No. 1035
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1035, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to improve procurement processes in the State.

Specifically, the measure:

- (1) Authorizes the administrator of the State Procurement Office to assess and collect an administrative fee to cover procurement automation system costs;
- (2) Establishes a procurement automation system special fund; and
- (3) Authorizes the Administrator of the State Procurement Office to establish procedures for issuing the final decision regarding any procurement practice, procurement policy and procedure, and compliance investigation conducted pursuant to section 103D-206, Hawaii Revised Statutes.



Your Committee received written comments in support of this measure from the Department of Transportation and State Procurement Office.

Your Committee finds that a growing number of state-level purchasing offices in other states operate using a self-funded model whereby funds are derived from small percentage administrative fees included as part of statewide contracts. Your Committee further finds that establishing a similar fee in Hawaii may help pay for the management of the State's procurement automation system.

Your Committee has amended this measure by:

- (1) Appropriating unspecified sums in fiscal years 2021-2022 and 2022-2023 from the procurement automation system special fund;
- (2) Changing the effective date from upon its approval to July 1, 2021; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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 S.B. No. 1035, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1035, S.D. 2.


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


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1035, SD 1	GVO, WAM	2/26/21		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.				X
TANIGUCHI, Brian T.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	10			1
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