

STAND. COM. REP. NO.

364

Honolulu, Hawaii

FEB 18 2021

RE: S.B. No. 1035  
S.D. 1

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

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 1035 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

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

Your Committee received testimony in support of this measure from the State Procurement Office, Department of Transportation, and Hawaii Public Policy Advocates. Your Committee received comments on this measure from the Department of Accounting and General Services.

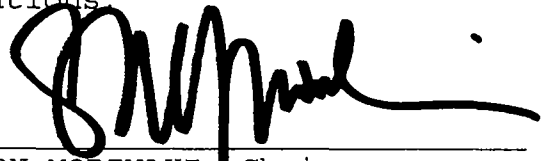


Your Committee finds that the transition from a manual procurement process to a centralized online digital procurement system across executive branch and state agencies will increase efficiencies and responsiveness; support consistent and standardized procurement practices, policies, and procedures; and provide greater confidence to taxpayers by ensuring optimal compliance and transparency under the State Procurement Code. According to testimony received by your Committee, the administrative fee proposed by the State Procurement Office to financially sustain this automated system will save the State approximately \$1,200,000 in general funds each year. Your Committee further finds that although the Administrator has the authority to perform periodic reviews of the State's agencies for compliance with the State Procurement Code, the language of this measure will acknowledge the Administrator as the authority on the final review of these matters.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1035, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Government  
Operations



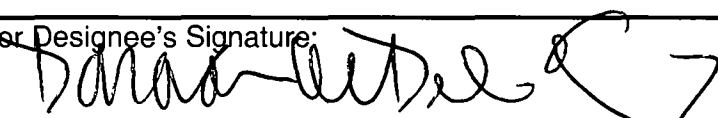
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SHARON MORIWAKI, Chair



The Senate  
 Thirty-First Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Government Operations**  
**GVO**

Bill / Resolution No.:* <b>SB 1035</b>	Committee Referral: <b>GVO, WAM</b>	Date: <b>2/9/21</b>		
<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
MORIWAKI, Sharon Y. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHANG, Stanley	/			
GABBARD, Mike	/			
FEVELLA, Kurt	/			
<b>TOTAL</b>	<b>5</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes