

STAND. COM. REP. NO. 358

Honolulu, Hawaii

FEB 18 2021

RE: S.B. No. 789
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. 789 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 special procurement process for the procurement of goods and services;
- (2) Require the Procurement Policy Board to establish procedures for the special procurement process through administrative rules;
- (3) Require the head of a purchasing agency to prepare a procurement plan and submit the plan to the Attorney General or corporation counsel; and
- (4) Require the head of a purchasing agency to electronically post, for at least one year, public notice of special procurement contracts within seven days of the contract award.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received



comments on this measure from the State Procurement Office and Department of Human Services.

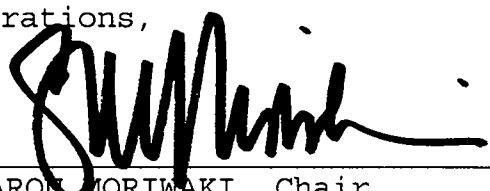
Your Committee finds that competition in the public procurement process is necessary to prevent favoritism, collusion, or fraud in the award of public contracts. According to testimony received by your Committee, hinging the awards of special procurements on administrative rules may limit the utility of the special procurement vehicle. Your Committee further finds that it is in the public's best interest to provide the State with greater flexibility in the procurement of certain goods and services so it can be more responsive in addressing unique or unusual needs or situations.

Your Committee has amended this measure by:

- (1) Clarifying the appropriate level of competition for special procurement;
- (2) Requiring the Procurement Policy Board to adopt administrative rules for the special procurement process by December 31, 2021; and
- (3) 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. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 789, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

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



SHARON MORIWAKI, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB 789	Committee Referral: GVO, JDC/WAM	Date: 2/9/21
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
MORIWAKI, Sharon Y. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHANG, Stanley	/			
GABBARD, Mike	/			
FEVELLA, Kurt	/			
TOTAL				

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes