

STAND. COM. REP. NO. 2727
Honolulu, Hawaii

RE: S.B. No. 2835
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii
Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2835 entitled:
"A BILL FOR AN ACT RELATING TO HAWAII PRODUCTS,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt construction procurements from the requirements of the Hawaii Products Preference Program in section 103D-1002, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Education, and Department of Budget and Fiscal Services. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that the goals of the program have been achieved. Your Committee further finds that the construction procurement process may be more efficient without the current preference.

Your Committee has amended this measure by:

- (1) Defecting the effective date to encourage further discussion;
 - (2) Requiring notification to current vendors on the Hawaii products list maintained by the State Procurement Office;
- and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that if this bill moves forward, the effective date should be made six months to a year ahead, in order not to disrupt any bids currently in evaluation or being prepared under existing law.

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. 2835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2835, 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,

LAURA H. THIELEN, Chair