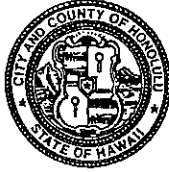


# LATE TESTIMONY

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TESTIMONY OF MICHAEL R. HANSEN, DIRECTOR  
DEPARTMENT OF BUDGET AND FISCAL SERVICES  
CITY AND COUNTY OF HONOLULU

Sen. Clayton Hee, Chair,  
and Members of Committee on  
Judiciary and Labor  
Sen. Will Espero, Chair,  
and Members of Committee on  
Public Safety, Government Operations,  
and Military Affairs  
The Senate  
The Twenty-Fifth State Legislature  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Hee, Chair Espero, and Members:

Subject: PGM/JDL Joint Hearing - February 14, 2012 at 9:30 a.m. HST  
Senate Bill No. 2074 Relating to Hawaii Public Procurement Code.

Thank you for the opportunity to testify on Senate Bill No. 2074. The City & County of Honolulu strongly supports S.B. No. 2074 which amends section 103D-707, HRS, to permit an additional post-award remedy if the contract is not fully executed. This bill will allow for rescission of an award and application of remedies provided for in section 103D-706, HRS. The City strongly believes this bill will have a positive effect on the revitalization of Hawaii's economy.

The purpose of the bill is to address a time consuming and costly lack of clarity in the post-award remedy provisions of the Hawaii Public Procurement Code. Currently the procurement code is silent on whether government agencies are able to re-evaluate the remaining bids or proposals of a solicitation if the initial award is determined to be in violation of the procurement code. This void in the procurement code causes government agencies to complete a lengthy re-solicitation process even when the initial solicitation is compliant with the procurement code and acceptable bids or proposals are available.

This bill clarifies that the rescinding of an award and re-evaluation of remaining bids or proposals is an acceptable post-award remedy. This clarification will greatly reduce the administrative burdens of re-soliciting procurements, prevent damaging delays that otherwise may have reduced the effectiveness of project's economic benefit, and will promote fairness to bidders or offerors who submitted acceptable proposals in good faith.

The City & County of Honolulu strongly supports S.B. No. 2074 and thank you for the opportunity to testify.