

LATE TESTIMONY

NEIL ABERCROMBIE
GOVERNOR



Jan S. Gouveia
Acting Comptroller

Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
JAN S. GOUVEIA, ACTING COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
PUBLIC SAFETY, GOVERNMENT OPERATIONS, AND MILITARY AFFAIRS
ON
January 26, 2012

S.B. 2074

RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE

Chair Espero and members of the Committee, thank you for the opportunity to testify on S.B. 2074.

The Department of Accounting and General Services supports S.B. 2074 and offers the following amendments.

Amend (1)(C), page 2, lines 5 to 7 from "....reevaluaton and award of the contract to the next lowest responsive and responsible bidder of next rank responsible offeror;" to "reevaluation and award of the contract to determine the lowest responsive and responsible offeror or ranking of the responsible offerors."

The same amendments are suggested for paragraph (2)(C), page 2, lines 20 to 22.

The reason for these recommended revisions is that the bill as currently written assumes that the original lowest responsive and responsible bidder or 1st ranked responsive and

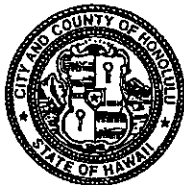
responsible offeror will be rejected and not considered in the reevaluation. This should not be the case when a bidder or offeror has not acted fraudulently or in bad faith. The other reason for these recommended revisions is that the revised language is more generic, but we believe this improves on the intent of this bill.

Thank you for the opportunity to submit testimony on this matter.

LATE TESTIMONY

DEPARTMENT OF BUDGET AND FISCAL SERVICES
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PETER B. CARLISLE
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MICHAEL R. HANSEN
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NELSON H. KOYANAGI, JR.
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January 25, 2012

Sen. Will Espero, Chair,
Sen. Michelle N. Kidani, Vice 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 Espero, Vice Chair Kidani and Members:

Subject: Senate Bill No. 2074 Relating to the Hawaii Public Procurement Code

The City & County of Honolulu supports S.B. 2074 which provides clarification that if an award is determined to be in violation of the law and the contract has not been fully executed that the award may be rescinded and remedies prior to award may be applied, which may include the reevaluation and award of the contract to the next lowest responsive and responsible bidder or responsible offeror.

The proposed revision to HRS §103D-707 will provide an additional post-award remedy. Currently, the only available remedies are ratification of the contract or termination of the contract. The remedy to award to the next lowest responsive and responsible bidder or responsible offeror will reduce the administrative burdens of a re-solicitation, avoid the damaging delays to economic revitalization that are inherent in a re-solicitation effort, and will promote fairness to bidders or offerors who submitted proposals in good faith.

Sincerely,

A handwritten signature in black ink that reads "Michael R. Hansen".

Michael R. Hansen, Director
Budget & Fiscal Services