

Honolulu, Hawaii

, 2018

MAR 23

RE: S.B. No. 2601
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2601, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to increase efficiency and accountability in government procurement. Specifically, this measure:

- (1) Requires procurement officers to complete periodic performance evaluations of certain contractors;
- (2) Establishes factors to be included in any evaluation, consideration, or review of past performance, and rating standards for those factors;
- (3) Requires past performance to be factored into future bid selection of contractors for sole source contracts and any competitive sealed contracts that exceed the small purchase threshold; and
- (4) Appropriates funds to the State Procurement Office to implement this measure.



Pacific Resource Partnership supported this measure. The Department of Accounting and General Services, Department of Land and Natural Resources, Department of Design and Construction of the City and County of Honolulu, and General Contractors Association of Hawaii opposed this measure. The State Procurement Office offered comments.

Your Committee has amended this measure by:

- (1) Amending the title of chapter 103D, part V, Hawaii Revised Statutes, to: "PART V. MODIFICATION AND TERMINATION OF CONTRACTS AND CONTRACT ADMINISTRATION";
- (2) Adding a new section to chapter 103D, part V, Hawaii Revised Statutes that requires the Procurement Policy Board to adopt rules for the administration of contracts; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2601, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2601, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



AARON LING JOHANSON, Chair



