

STAND. COM. REP. NO.

2927

Honolulu, Hawaii

MAR 02 2018

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2601, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to increase efficiency and accountability in government procurement.

Specifically, this measure:

- (1) Requires that past performance be considered in bid selection of contractors in sole source procurement;
- (2) Establishes procedures and factors to be considered in evaluating, considering, or reviewing past performance;
- (3) Requires an evaluation of the work and performance of a contractor upon completion of a contract; and
- (4) Appropriates funds to the State Procurement Office.

Your Committee received written comments in support of this measure from the State Procurement Office.

Your Committee received written comments in opposition to this measure from the Department of Accounting and General



Services and the Department of Design and Construction of the City and County of Honolulu.

Your Committee received written comments on this measure from the General Contractors Association of Hawaii.

Your Committee finds that because consideration of past performance is not currently required in the procurement process, bidders with poor past performance on public contracts may be considered for new procurements, resulting in repeated inefficient and substandard performances.

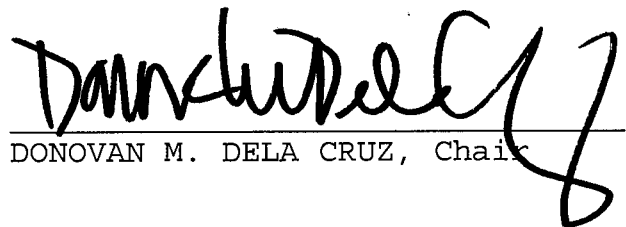
Your Committee has amended this measure by:

- (1) Replacing existing language establishing procedures and factors to be considered in the evaluation, consideration, or review of past performance with language recommended by the State Procurement Office that establishes evaluation factors and responsibilities for recording and maintaining contractor performance information;
- (2) Establishing contract administration duties and providing that a procurement officer may delegate certain duties to a contract administrator;
- (3) Requiring that past performance be considered in source selection for competitive sealed contracts that exceed the small purchase threshold;
- (4) Requiring that procurement officers consider certain factors, including past performance, when making a determination of offeror responsibility;
- (5) Clarifying that the appropriation to the State Procurement Office shall be used to implement the Act for executive branch departments and agencies;
- (6) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (7) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2601, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2601, S.D. 2.

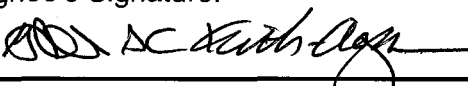
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2601, SD1	Committee Referral: GVO, WAM	Date: 2/21/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
TOTAL	10	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes