

DAVID Y. IGE  
GOVERNOR



RODERICK K. BECKER  
Comptroller

AUDREY HIDANO  
Deputy Comptroller

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY OF  
RODERICK K. BECKER, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEE ON GOVERNMENT OPERATIONS  
ON  
TUESDAY, FEBRUARY 13, 2018  
2:55 PM  
CONFERENCE ROOM 224

S.B. 2620

RELATING TO PROCUREMENT.

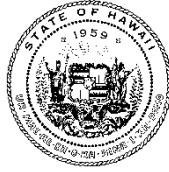
Chair Kim, Vice Chair Ruderman, and Members of the Committee, thank you for the opportunity to submit testimony on S.B. 2620.

The Department of Accounting and General Services (DAGS) supports this bill which removes the maximum limit on the amount of cash or bond that must be submitted to initiate administrative proceedings under HRS Section 103D-709 for the following reasons:

1. The proposed change has the potential to reduce the number of protests filed for large, high-profile projects because the degree of risk to be borne by the protestor will increase.
2. The proposed change will allow the State to collect funds which more appropriately compensate for the required level of defense of the protest and the adverse impacts on the protested project.

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

DAVID Y. IGE  
GOVERNOR



SARAH ALLEN  
ADMINISTRATOR  
MARA SMITH  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII  
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TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE  
  
TO THE SENATE COMMITTEE  
ON  
GOVERNMENT OPERATIONS  
Tuesday, February 13, 2018, 2:55 PM  
  
SENATE BILL 2620  
RELATING TO PROTEST BOND

Chair Kim, Vice Chair Ruderman, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2620. The State Procurement Office (SPO) **supports** the intent of this bill, which removes the \$10,000 maximum limit on a cash or protest bond that must be posted for a procurement award protest.

In 2013, the National Association of State Procurement Officials (NASPO) conducted a research brief that examined bid protest policies and practices in state central procurement offices across the nation. Appendix IV, Bid Protest Bonds survey revealed a protest bond range of 1% to 25% among states with such a provision. Of the states in the study, only Hawaii had a protest bond cap not to exceed \$10,000.

Below is a link to the report.

[http://www.naspo.org/dnn/portals/16/documents/.FINAL\\_NASPO\\_BidProtests\\_Research\\_Brief\\_042413.pdf](http://www.naspo.org/dnn/portals/16/documents/.FINAL_NASPO_BidProtests_Research_Brief_042413.pdf)

Thank You

**SB-2620**

Submitted on: 2/5/2018 12:26:18 PM

Testimony for GVO on 2/13/2018 2:55:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Louise Storm        |                     | Support                   | No                        |

Comments:

Can this apply to projects where state funds are involved, but the state is not the primary agent, e.g. the Honolulu rail project?