

STAND. COM. REP. NO.

396

Honolulu, Hawaii

, 2021

FEB 18

RE: H.B. No. 526

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 526, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to amend the Hawaii Public Procurement Code to:

- (1) Require a bidder's past performance on state contracts of similar scope to be considered for contract awards and responsibility determinations;
- (2) Require a responsible bidder or offeror to be determined based upon the responsibility determination standards adopted by the Procurement Policy Board;
- (3) Prohibit the evaluation of criteria not set forth in the request for proposals under the competitive sealed proposal process; and
- (4) Appropriate funds for the development and implementation of guidance and related implementation training for several tools relating to a past performance guide and past performance database, to be expended by the State Procurement Office.

2021-1665 HB526 HD1 HSCR HMSO



Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received testimony in opposition to this measure from the Department of Accounting and General Services and Department of Design and Construction of the City and County of Honolulu. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that the State's procurement process requires clear legislative direction to award contracts to responsible bidders or offerors to increase accountability, enhance performance, and utilize taxpayer dollars more efficiently. Your Committee further finds that currently, some state contracts may be awarded to the lowest bidder without regard to that bidder's poor past performance, which may lead to these bidders being considered qualified despite their poor past performance and result in repeated inefficiencies and substandard work. Your Committee believes consideration of past performance of a bidder will offer another level of consideration and diligence in evaluating responsibility, provide additional insight to positively impact the award selection, enhance quality performance, and efficiently and effectively utilize taxpayer dollars. Providing the State Procurement Office with funding to develop and implement certain training tools will lead to more effective procurement awards.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 526, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



MARK M. NAKASHIMA, Chair



