

STAND. COM. REP. NO.

1486

Honolulu, Hawaii

MAR 25 , 2021

RE: S.B. No. 1329
S.D. 2
H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1329, S.D. 2, 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 the chief procurement officer or designee to:
 - (A) Address protests to solicitations and awards of contracts as expeditiously as possible; and
 - (B) Uphold or deny a protest within seventy-five calendar days of receipt of the protest, if the protest is not resolved by mutual agreement, unless extenuating circumstances require additional time; and
- (2) Specify that a protest shall prevail if the protest is not resolved by mutual agreement or the chief procurement officer or designee does not issue a decision.

2021-2778 SB1329 HD2 HSCR HMSO



Your Committee received testimony in opposition to this measure from the Department of Human Services. Your Committee received comments on this measure from the Department of Accounting and General Services, Department of the Attorney General, Department of Education, Department of Transportation, State Procurement Office, and Associated Builders and Contractors Hawaii Chapter.

Your Committee finds that the procurement protest review process can be lengthy and complex, cause project delays, and increase project costs that are borne by taxpayers. Your Committee believes that the mechanisms provided for in this measure will expedite the protest review process and reduce the costs associated with state-awarded projects.

Your Committee has amended this measure by:

- (1) Clarifying that if a protest is not resolved by mutual agreement, the time restriction for the chief procurement officer or designee to uphold or deny a protest is limited to competitive sealed proposal and professional services methods of procurement; and
- (2) Changing the timeline to issue a written decision on the protest from a seventy-five calendar day deadline to an unspecified number of calendar days.

Should this measure progress through the legislative process, your Committee notes that further consideration and deliberation are necessary to determine whether seventy-five calendar days is an appropriate duration of time to allow the chief procurement officer to issue a written decision in response to a protest.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 1329, S.D. 2, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



