

STAND. COM. REP. NO.

105

Honolulu, Hawaii

FEB 09 , 2021

RE: H.B. No. 1385  
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 Government Reform, to which was referred  
H.B. No. 1385 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Implement certain recommendations made by the State Procurement Office's review of the Hawaii procurement laws in comparison with federal procurement laws conducted pursuant to House Resolution No. 142, Regular Session of 2016; and
- (2) Require the State Procurement Office to submit a report regarding the progress made on certain recommendations.

Your Committee received testimony in opposition to this measure from the Electrical Contractors Association of Hawaii, Plumbing and Mechanical Contractors Association of Hawaii, and Sheet Metal and Air Conditioning Contractors' National Association of Hawaii. Your Committee received comments on this measure from the State Procurement Office, Department of Accounting and General Services, Subcontractors Association of Hawaii, and General Contractors Association of Hawaii.

2021-1347 HB1385 HD1 HSCR HMSO



Your Committee finds that the purpose of the review in House Resolution No. 142, Regular Session of 2016, was to examine ways that the State could improve its procurement process by better understanding the efficient and effective ways in which the federal government conducts procurement. Your Committee notes the concerns raised by the State Procurement Office regarding the resources necessary to undertake the project proposed by this measure, including the need for minimum funding to develop, implement, and maintain a vendor performance tracking system. Your Committee also notes other concerns raised in testimony regarding implementation of consideration of past performance and the proposed amendment that would add the ability to negotiate with the low bidder in certain situations. Your Committee understands these concerns and believes this measure warrants further discussion.

Your Committee has amended this measure by:

- (1) Reverting to existing statutory language that ranks the selection criteria by importance for the procurement of design professionals;
- (2) Reverting to existing statutory language that requires general contractor bidders disclose the nature and scope of work expected to be performed by a subcontractor;
- (3) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (4) 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 Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1385, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Government Reform,



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ANGUS L.K. McKELVEY, Chair



