

STAND. COM. REP. NO. 567 -22

Honolulu, Hawaii  
FEB 18 , 2022

RE: H.B. No. 2007  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred  
H.B. No. 2007 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to amend the cash or protest  
bond amount for parties initiating administrative proceedings for  
review of certain protest decisions.

Your Committee received testimony in opposition to this  
measure from the Department of Transportation and Airlines  
Committee of Hawaii. Your Committee received comments on this  
measure from the State Procurement Office and General Contractors  
Association of Hawaii.

Your Committee finds that the ability to challenge an  
improperly awarded bid for a contract is an important tool to  
ensure fairness in the procurement process. However, your  
Committee believes further scrutiny is needed to determine an  
appropriate cash or protest bond amount to protest decisions that  
deters frivolous appeals without deterring legitimate bid  
protests.

Your Committee has accordingly amended this measure by:

2022-1420 HB2007 HD1 HSCR HMSO-1

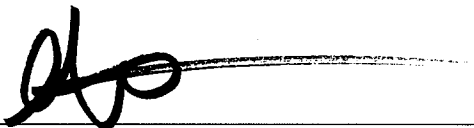


- (1) Changing the cash or protest bond amounts to unspecified amounts; and
- (2) Changing its effective date to July 1, 2112, to encourage further discussion.

Your Committee finds that some protest cap amount is worthy of consideration so that very large and expansive projects with great impact can still be challenged for legitimate means without creating a cost barrier towards contesting them. Your Committee further finds that, according to the agencies and businesses who testified on this measure, there may be a need for some type of a cap to help deter purely frivolous protests as a matter of business practice, which occurs mostly on lower priced contracts. Your Committee respectfully requests your Committee on Consumer Protection & Commerce, should it choose to deliberate on this measure, to consider these issues and what the appropriate cash or protest bond amount should be.

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. 2007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2007, 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



