STAND. COM. REP. NO. 557 -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:



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- 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.

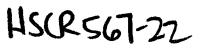
As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2007, 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,

ANGUS L.K. MCKELVEY, Chair



State of Hawaii House of Representatives The Thirty-first Legislature



Record of Votes of the Committee on Government Reform

Bill/Resolution No.: Comm	ittee Referral: GVR, C	PC Date:		22
□ The committee is reconsidering its previous deci	sion on the measure.		• (
The recommendation is to:				
GVR Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
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2. WILDBERGER, Tina (VC)				
3. ELI, Stacelynn K.M.			······	
4. ICHIYAMA, Linda				
5. MIZUNO, John M.				
6. WOODSON, Justin H.			a na air ann an	
7. YAMASHITA, Kyle T	7	The second se		hill failt and it for a summarian atom atomatica
8 WARD, Gene	7			
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TOTAL (8)	8	X	R	R
The recommendation is: Image: Adopted in the communication is in the communicati				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chef Clerk's Office Duplicate (Pink) – HMSO				