

STAND. COM. REP. NO. 3027

Honolulu, Hawaii

MAR 04 2022

RE: S.B. No. 2335  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2335, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to allow the use of, and establish conditions and requirements for, a median bid procurement method by purchasing agencies.

Your Committee received written comments in support of this measure from the Department of Education and Department of Transportation.

Your Committee received written comments in opposition to this measure from the State Procurement Office and Department of Budget and Fiscal Services of the City and County of Honolulu.

Your Committee finds that use of the low bid procurement method may lead to completion of projects at higher-than anticipated final costs. Your Committee believes that allowing for the use of a median bid procurement method will help to ensure that each project is completed without exceeding the project's estimated budget.



Your Committee has amended this measure by:

- (1) Clarifying that procuring agencies may use either low or median bid procurement methods;
- (2) Clarifying that, for construction projects only, a purchasing agency may choose to award a bid to the responsible and responsive bidder whose bid is closest to the median of all bids submitted and who meets certain requirements;
- (3) Establishing criteria for determining the median bidder if there are an even number of bidders;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2335, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2335, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



