

STAND. COM. REP. NO. 1424-22

Honolulu, Hawaii

MAR 24 , 2022

RE: S.B. No. 2385
S.D. 2
H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2385, 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 authorize a purchasing agency to submit a request for alternative procurement approval from the Chief Procurement Officer or Chief Procurement Officer's designee if fewer than three qualified persons respond to a solicitation.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, University of Hawai'i System, Department of Budget and Fiscal Services of the City and County of Honolulu, and Department of Finance of the County of Kaua'i. Your Committee received testimony in opposition to this measure from the American Institute of Architects Hawaii State Council; Community Planning and Engineering, Inc.; Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc.; The Limtiaco Consulting Group; Ronald N.S. Ho and Associates, Inc.; CONSOR Engineers, LCC; Yogi Kwong Engineers, LLC; Gray, Hong, Nojima and Associates, Inc.; American Council of Engineering Companies of Hawaii; Hart Crowser; Mason Architects, Inc.; and three individuals. Your Committee received comments on this

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measure from the Department of Transportation and State Procurement Office.

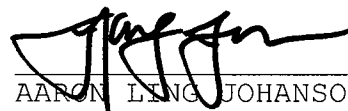
Your Committee finds that the administrative rules adopted by the Procurement Policy Board previously provided for an alternative in situations when less than three qualified persons responds to a professional services notice. However, this alternative was repealed in 2016 as a result of a Hawaii Supreme Court decision. As a result, agencies must broaden or reduce the scope of work in the notices and repeatedly resolicit until more responses are received. This measure provides state agencies with more timely alternatives to complete procurement of professional services when there are fewer than three qualified submissions.

Your Committee has amended this measure by:

- (1) Authorizing agencies to seek an exemption from the procurement process, rather than a request for an alternate procurement approval process; and
- (2) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, 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. 2385, S.D. 2, H.D. 2.

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



AARON LING JOHANSON, Chair



