

Honolulu, Hawaii

FEB 09 2022

RE: S.B. No. 2385

S.D. 1

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

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2385 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to amend section 103D-304, Hawaii Revised Statutes, to allow state purchasing agencies to seek alternative procurement approval in the procurement of professional services, limited to situations where fewer than three qualified persons submit bids or proposals.

Your Committee received testimony in support of this measure from the State Procurement Office, Department of Accounting and General Services, and the University of Hawai'i System. Your Committee received testimony in opposition to this measure from the American Council of Engineering Companies of Hawaii; American Institute of Architects, Hawaii State Council; Hart Crowser, a Division of Haley & Aldrich; Coffman Engineers, Inc.; Okahara and Associates, Inc.; CONSOR Engineers, LLC; and two individuals. Your Committee received comments on this measure from the Department of Transportation.

Your Committee finds that existing law requires a minimum of three bids or proposals from qualified persons to proceed with the procurement of professional services. Your Committee further finds that under certain circumstances, particularly in the



procurement of specialized services, this requirement cannot be met. Continually reinitiating the solicitation with the same result increases delays and project costs for procuring agencies.

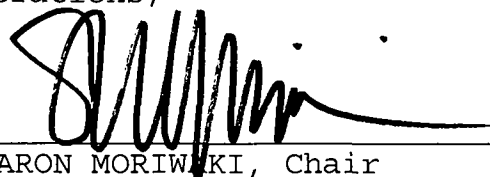
Your Committee finds that this measure will allow agencies to keep design projects on schedule, improve project schedule efficiency, and ensure priorities and needs are addressed timely. As such, this measure will facilitate the procurement of specialized professional services in situations where fewer than three qualified persons submit bids or proposals.

Your Committee has amended this measure by:

- (1) Clarifying that the alternate approval option proposed by this measure only applies in situations where fewer than three qualified persons submit bids or proposals in response to a procuring agency seeking professional services;
- (2) Amending section 1 to reflect its amended purpose; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2385, S.D. 1, and be referred to your Committee on Ways and Means.

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



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SHARON MORIWAIKI, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Government Operations**  
**GVO**

Bill / Resolution No.:* <b>SB 2385</b>	Committee Referral: <b>GVO, WAM</b>	Date: <b>1/27/22</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
MORIWAKI, Sharon Y. (C)	X			
DELA CRUZ, Donovan M. (VC)	X			
CHANG, Stanley				X
GABBARD, Mike	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes