

STAND. COM. REP. NO. 1098-22

Honolulu, Hawaii  
, 2022

MAR 18

RE: S.B. No. 3372  
S.D. 1  
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  
S.B. No. 3372, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to authorize, where it is determined that a solicitation or award of a contract is in violation of law, the government contract to be rescinded and awarded to the next lowest responsive, responsible bidder to whom the contract would have been awarded were it not for the violation of law.

Your Committee received testimony in support of this measure from Nan, Inc. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that under existing law, when the Office of Administrative Hearings determines that a public works contract was improperly awarded, the Office's only remedy is to terminate the contract. However, this delays the procurement process, as the solicitation for the contract must then be reissued. This measure provides an alternative in cases where a solicitation or award of a contract is in violation of the law, which ensures a

2022-2280 SB3372 HD1 HSCR HMSO



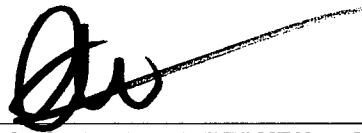
fair process in which the proper bidder is awarded the project, and prevents further delays in the procurement process.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; 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 Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3372, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3372, S.D. 1, 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



**Record of Votes of the Committee on Government Reform**

Bill/Resolution No.: <b>SB 3372, SD 1</b>	Committee Referral: <b>GVR, CPL, FIN</b>	Date: <b>3-16-22</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
GVR Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. WILDBERGER, Tina (VC)	✓			
3. COSTALES, Luella	✓			
4. ELI, Stacelynn K.M.	✓			
5. ICHIYAMA, Linda	✓			
6. MIZUNO, John M.				✓
7. WOODSON, Justin H.	✓			
8. YAMASHITA, Kyle T.	✓			
9. WARD, Gene	✓			
<b>TOTAL (9)</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>T. Winger</i></u>				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				