

STAND. COM. REP. NO.

2281

Honolulu, Hawaii

FEB 14 2022

RE: S.B. No. 3372
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. 3372 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to allow, where it is determined that a solicitation or award of a contract is in violation of law, government contracts to be rescinded and awarded to the person or firm to whom the contract would have been awarded were it not for the violation.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and State Procurement Office. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from Associated Builders and Contractors.

Your Committee finds that determinations that a solicitation or award of a contract is unlawful can unduly disrupt the procurement process and delay projects at taxpayer expense. Your Committee further finds that existing law lacks a statutory procedure to address to whom a contract may be awarded when it is determined that a solicitation or award of a contract violates the law. This measure creates that procedure.

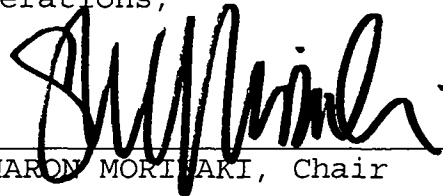


Your Committee notes the testimonies of the State Procurement Office and Department of Accounting and General Services, requesting further clarification of determining the recipient of the contract in the situation where the initial awardee is found to be in violation of the law.

Accordingly, your Committee has amended this measure by clarifying that, where it is determined that a solicitation or award of a contract is in violation of law, a government contract may be rescinded and awarded to the next lowest responsive, responsible bidder to whom the contract would have been awarded were it not for the violation of law, as applicable or as directed by the Office of Administrative Hearings.

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. 3372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3372, S.D. 1, and be referred to your Committee on Judiciary.

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



SHARON MORIYAKI, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB 3372	Committee Referral: GVO, JDC	Date: 02/03/22		
<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)	<input checked="" type="checkbox"/>			
DELA CRUZ, Donovan M. (VC)	<input checked="" type="checkbox"/>			
CHANG, Stanley	<input checked="" type="checkbox"/>			
GABBARD, Mike	<input checked="" type="checkbox"/>			
FEVELLA, Kurt	<input checked="" type="checkbox"/>			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes