

STAND. COM. REP. NO.

867

Honolulu, Hawaii

MAR 05 2021

RE: S.B. No. 788
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 788, 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 increase the efficiency and cost-effectiveness in public procurement.

Specifically, this measure:

- (1) Allows selection committees for the procurement of professional services to weigh the selection criteria listed in section 103D-304(e), Hawaii Revised Statutes, in the order of importance relevant to their agency and project;
- (2) Requires the State Procurement Office to develop a vendor performance information system;
- (3) Authorizes the head of a procurement agency to negotiate an adjustment of an otherwise successful bid for construction procurement to ensure that the bid amount is reasonable and realistic for the scope of the construction project;



- (4) Allows a bidder of a public works construction project to clarify and correct non-material or technical issues with subcontractor listings for up to twenty-four hours after the bid submission deadline; and
- (5) Requires bids for construction to be opened no earlier than twenty-four hours after the bid submission deadline.

Your Committee received written comments in support of this measure from the Subcontractors Association of Hawaii.

Your Committee received written comments in opposition to this measure from the Department of Budget and Fiscal Services of the City and County of Honolulu; Department of Design and Construction of the City and County of Honolulu; Painters Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers Market Recovery Fund; Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund; Hawaii Iron Workers Stabilization Fund; and Ironworkers Local 625.

Your Committee received written comments on this measure from the Department of Accounting and General Services, State Procurement Office, Plumbing and Mechanical Contractors Association of Hawaii, Electrical Contractors Association, Plumbers and Fitters United Association Local 675, and General Contractors Association of Hawaii.

Your Committee finds that this measure implements certain recommendations of the procurement policy review conducted pursuant to House Resolution No. 142, Regular Session of 2016. Your Committee further finds that the recommendations made pursuant to the procurement policy review are meant to increase economy, efficiency, effectiveness, and impartiality in public procurement by aligning the state procurement process with the federal procurement process.

Your Committee has amended this measure by:

- (1) Adding language prohibiting a bidder from adding or substituting listed joint subcontractors when clarifying



or correcting non-material or technical issues with subcontractor listings; and

- (2) 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. 788, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 788, S.D. 2.

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

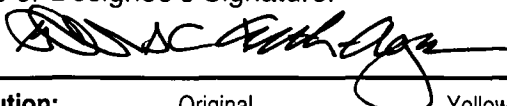


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 788, SD 1	Committee Referral: GVO, WAM	Date: 2/24/21		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.		X		
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	10	1		
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