

STAND. COM. REP. NO.

2704

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 3185
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 3185 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize an alternative procurement method when the federal government provides for or approves the alternative procurement method and the head of the purchasing agency makes a written determination that it is neither practicable nor advantageous to use the existing statutory procurement methods; and
- (2) Amend the methods of source selection under section 103D-301, Hawaii Revised Statutes (HRS), to allow for alternative procurements.

Your Committee received testimony in opposition to this measure from the State Procurement Office.

Your Committee received comments on this measure from the Department of Transportation.

Your Committee finds that the Hawaii Public Procurement Code was created to promote competition, prevent favoritism and



corruption, and increase transparency in government, among other things. Under existing law, all public contracts must be awarded in accordance with certain methods of source selection established under section 103D-301, HRS. However, your Committee finds that there are situations that may arise that make it impracticable or disadvantageous to utilize any of the established methods. Therefore, this measure amends the Hawaii Public Procurement Code to allow a procuring agency to select an alternative procurement method under certain circumstances.

Your Committee has amended this measure by:

- (1) Amending sections 103D-102(b)(4) and 103D-102(b)(4)(L), HRS, to exempt certain construction procurement from the Hawaii Public Procurement Code when it is neither practicable nor advantageous to the State;
- (2) Amending section 103D-405, HRS, to allow the Chief Procurement Officer to provide a waiver for certain outside contractors that participated in the development of a solicitation package that would otherwise be precluded from bidding on or receiving a contract;
- (3) Inserting an effective date of July 1, 2112, to encourage further discussion; and
- (4) 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. 3185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3185, 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,



ANGUS L.K. MCKELVEY, Chair



