

STAND. COM. REP. NO.

995

Honolulu, Hawaii

FEB 28

, 2025

RE: H.B. No. 1414
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Finance, to which was referred H.B. No. 1414 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to authorize the head of a procurement agency to award a contract to a bidder who is not the lowest responsible and responsive bidder, for procurements conducted by competitive sealed bidding, if the head of the procuring agency determines that the award is most beneficial to taxpayers or otherwise in the best interests of the State.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from the Department of Accounting and General Services; State Procurement Office; Department of Budget and Fiscal Services, City and County of Honolulu; and General Contractors Association of Hawaii.

Your Committee finds that the existing procurement process prioritizes awarding contracts to the lowest responsible and responsive bidder, but may not always serve the best interests of the State. This measure provides greater flexibility by allowing the purchasing agency, with proper approval, to award contracts



based on overall benefit to taxpayers while maintaining transparency and fiscal responsibility.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1414, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



KYLE T. YAMASHITA, Chair



HSR 995

Bill/Resolution No.: HB1414		Committee Referral: FIN		Date: 2/26/25
<input checked="" 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	/			
2. TAKENOUCHI, Jenna (VC)	/			
3. GRANDINETTI, Tina Nakada	/			
4. HOLT, Daniel	/			
5. HUSSEY, Ikaika	/			
6. KEOHOKAPU-LEE LOY, Sue L.	/			
7. KITAGAWA, Lisa	/			
8. KUSCH, Matthias	/			
9. LAMOSAO, Rachele F.	/			
10. LEE, Mike	/			
11. MIYAKE, Tyson K.	/			
12. MORIKAWA, Dee	/			
13. TEMPLO, Shirley Ann	/			
14. ALCOS III, David	/			
15. REYES ODA, Julie	/			
16. WARD, Gene				/
TOTAL (16)	15	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
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