

Honolulu, Hawaii

FEB 06 , 2024

RE: H.B. No. 2070
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 2070 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require cash or protest bonds to be returned to the initiating parties, minus administrative costs as determined by the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs, except in cases where the appeal was frivolous or made in bad faith.

Your Committee received testimony in support of this measure from the General Contractors Association of Hawaii; Koga Engineering & Construction, Inc.; Healy Tibbitts Builders, Inc.; Isemoto Contracting Co., Ltd.; Jas. W. Glover, Ltd.; Pacific Resource Partnership; Jayar Construction, Inc.; Ralph S. Inouye Co. Ltd.; Nordic PCL Construction, Inc.; Hawaiian Dredging Construction Company, Inc.; Hensel Phelps Construction Co.; and King & Neel Pacific, Inc.

Your Committee finds that Act 224, Session Laws of Hawaii 2021, required, among other things, a party protesting an agency decision to put up a one percent cash or protest bond without a cap to prevent the filing of frivolous appeals. However, the



existing law does not allow for the cash or protest bond to be returned to the initiating party even when a legitimate protest is filed, unless they prevail in the administrative proceeding. This measure will prevent frivolous appeals without deterring legitimate appeals on large projects.

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 Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2070, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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



SCOT Z. MA'AYOSHI, Chair



