

STAND. COM. REP. NO.

994

Honolulu, Hawaii

FEB 28 , 2025

RE: H.B. No. 1297

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. 1297 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to amend the Procurement Code by:

- (1) Setting a time limit for submitting bid protests;
- (2) Making the seventy-five day limit for a written decision on a protest apply to any contract awarded by competitive sealed bid or competitive sealed proposal;
- (3) Capping the protest bond amount; and
- (4) Repealing the requirement that the administrative hearing office find that an appeal is frivolous or in bad faith before the protest bond is forfeited to the State by the non-prevailing party.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii. Your Committee



received comments on this measure from the Department of Transportation and State Procurement Office.

Your Committee finds that procurement bid challenges often result in project delays, lapsing of funds, and project cost increases. Protests frequently involve complex issues, and the strict statutory deadlines may cause government agencies to rush to resolve protests, which may cause errors. Your Committee further finds that clarification to the existing procurement protest procedures is therefore needed to ensure timely resolution of disputes. Accordingly, this measure establishes a clear timeframe for resolving protests and introduces a monetary cap on protest bond amounts, which will promote fairness while also discouraging frivolous claims.

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

Your Committee notes the suggested amendments by the State Procurement Office and Department of Transportation, which request a bond cap amount of \$1,000,000 and \$1,500,000 respectively.

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. 1297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1297, H.D. 1, and be placed on the calendar for Third Reading.

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



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KYLE T. YAMASHITA, Chair



