

Honolulu, Hawaii

March 6, 2009

RE: H.B. No. 638
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 638, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE,"

begs leave to report as follows:

The purpose of this bill is to expedite the awarding of public contracts by discouraging frivolous or bad-faith protests.

This bill:

- (1) Requires the dismissal of a protest of an award or contract if the protest is based on an inadvertent error in a bid that is less than one percent of the bid amount;
- (2) Allows an administrative proceeding to consider a protest of a solicitation or award of a contract if:
 - (A) The protest concerns a matter that is equal to no less than ten percent of the total estimated value of the contract; and
 - (B) The soliciting party pays a cash or protest bond in an amount equal to one percent of the total estimated value of the contract;



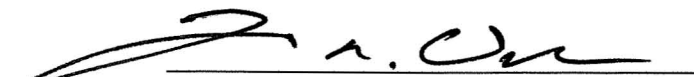
and

- (3) Provides for the disposition of the cash or protest bond upon the outcome of the administrative hearing.

The Department of Accounting and General Services and State Procurement Office opposed this bill.

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. 638, H.D. 1, and recommends that it pass Third Reading.

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



MARCUS R. OSHIRO, Chair



