STAND. COM. REP. NO. 857

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:

- 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;

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and

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

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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,

 $\gamma : \mathcal{O}_{\mathbf{a}}$ MARCUS R. OSHIRO, Chair





State of Hawaii House of Representatives The Twenty-fifth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 638, HDI E.	e Referral: BM, FT		"March	2.2009
The committee is reconsidering its previous decisio	n on the measure.			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
The recommendation is to: Pass, unamended Pass short form bi				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)	<i>V</i> <i>V</i>			
3. AQUINO, Henry J.C.	~			
4. AWANA, Karen Leinani				
5. BROWER, Tom	~			
6. CHOY, Isaac W.	~			
7. COFFMAN, Denny				
8. HAR, Sharon E.	~			
9. KEITH-AGARAN, Gilbert S.C.				
10. LEE, Chris	\checkmark			
11. NISHIMOTO, Scott Y.	~			
12. SAGUM, Roland D., III	~			
13. TOKIOKA, James Kunane				
14. WOOLEY, Jessica	~			
15. YAMASHITA, Kyle T.	~			
16. PINE, Kymberly Marcos		1 V		
17. WARD, Gene				
TOTAL (17)	15	1	0	l
The recommendation is: Adopted If joint referral,	Not Adop committee acronym	did not supp	ort recommendation	1.
Vice Chair's or designee's signature:	Mary	3Lee		
Distribution: Original (White) – Committee De	uplicate (Yellow)	– Chief Clerk's Offic	e Duplicate (P	rink) – HMSO