STAND. COM. REP. NO. 504 -18

Honolulu, Hawaii

, 2018

MAR 23

RE: S.B. No. 2601

S.D. 2 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 2601, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to increase efficiency and accountability in government procurement. Specifically, this measure:

- (1) Requires procurement officers to complete periodic performance evaluations of certain contractors;
- (2) Establishes factors to be included in any evaluation, consideration, or review of past performance, and rating standards for those factors;
- (3) Requires past performance to be factored into future bid selection of contractors for sole source contracts and any competitive sealed contracts that exceed the small purchase threshold; and
- (4) Appropriates funds to the State Procurement Office to implement this measure.

Pacific Resource Partnership supported this measure. The Department of Accounting and General Services, Department of Land and Natural Resources, Department of Design and Construction of the City and County of Honolulu, and General Contractors Association of Hawaii opposed this measure. The State Procurement Office offered comments.

Your Committee has amended this measure by:

- (1) Amending the title of chapter 103D, part V, Hawaii Revised Statutes, to: "PART V. MODIFICATION AND TERMINATION OF CONTRACTS AND CONTRACT ADMINISTRATION";
- (2) Adding a new section to chapter 103D, part V, Hawaii Revised Statutes that requires the Procurement Policy Board to adopt rules for the administration of contracts; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2601, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2601, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

AARON LING JOHANSON, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Labor & Public Employment

	ee Referral: りょドル	Date	3/22/20	18
☐ The committee is reconsidering its previous decisio	n on the measure.	·	/ /	· · · · · · · · · · · · · · · · · · ·
The recommendation is to: Pass, unamended Pass short form b		ss, with amendments ommit for future public	• •	
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	V			
2. HOLT, Daniel (VC)	V			
3. EVANS, Cindy				
3. Evans, Chuy				
4. ICHIYAMA, Linda				<u></u>
5. KEOHOKALOLE, Jarrett				
6. YAMASHITA, Kyle T.				
7. MATSUMOTO, Lauren Kealohilani				
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TOTAL (7)	7	D	0	D
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				