

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2620

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2620 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the \$10,000 maximum limit on a cash or protest bond that must be posted for a procurement award protest

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, State Procurement Office, and one individual.

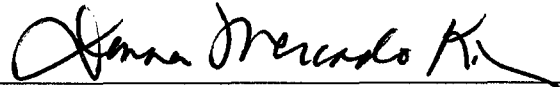
Your Committee finds that greater efficiency in the bid process for procurement contracts is necessary to eliminate government waste and increase government efficiency. Your Committee also finds that bid protests account for many of the delays in the bid process which can lead to increased expenses ultimately borne by taxpayers. Under existing law, the maximum amount that a party initiating a protest must provide in a cash or protest bond for contracts with an estimated value of \$1,000,000 or more is \$10,000. Your Committee finds that this cap is too low and therefore provides no deterrent for those who might unnecessarily delay a public works project by submitting a bid protest. Therefore, your Committee finds that the cap on a cash or protest bond for contracts with an estimated value of



\$1,000,000 or more should be removed to increase the efficiency of the bid process for procurement contracts.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2620 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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

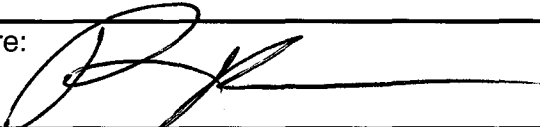


DONNA MERCADO KIM, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* <i>SB 2620</i>	Committee Referral: <i>GVO, WAM</i>	Date: <i>2/13/18</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	<i>X</i>			
RUDERMAN, Russell E. (VC)	<i>X</i>			
GALUTERIA, Brickwood	<i>X</i>			
KEITH-AGARAN, Gilbert S.C.				<i>X</i>
RHOADS, Karl	<i>X</i>			
TOTAL	<i>4</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes