STAND. COM. REP. NO. **687**

Honolulu, Hawaii

February 15, 2019

RE: H.B. No. 1146 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1146 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require that past performance be considered in future bid selection of contractors for sole source contracts and any competitive sealed bid or proposal contracts that meet or exceed the small purchase threshold;
- (2) Require procurement officers to include past performance in the specific factors considered in a determination of offeror responsibility; and
- (3) Appropriate funds for implementation.

The Subcontractors Association of Hawaii and an individual testified in support of this measure. The Department of Accounting and General Services, City and County of Honolulu Department of Design and Construction, and City and County of Honolulu Department of Budget and Fiscal Services opposed this measure. The State Procurement Office provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes existing procurement law allows consideration of past performance as an evaluating criterion to determine an offeror's responsibility. Past performance is also considered in all selections of professional services contractors as required by Section 103D-304, Hawaii Revised Statutes.

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 H.B. No. 1146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1146, 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,

AARDN MING JOHANSON, Chair

State of Hawaii House of Representatives The THIRTIETH Legislature

HSCR 609

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.:	Committee Referral:			101
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: ☐ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold ☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)				
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2. ELI, Stacelynn K.M. (VC)				
	BINNIN BORROWS			
3. ICHIYAMA, Linda				<u> </u>
A TATE A CLASSICAL TOPS			HARDINE HE	
4. KITAGAWA, Lisa			A LISTA PROPERTY AND A STATE OF	Street Live Street
5. McKELVEY, Angus L.K.				
J. MCKELVET, Angus L.K.				
6. QUINLAN, Sean			A MARIE OF STREET	
7. YAMASHITA, Kyle T.	V			
8. MATSUMOTO, Lauren				

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			-	
TOTAL (8)	6			2
The recommendation is: Adopted				
If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Aloulymf Man				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				