

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 1329
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 1329 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to create time limits to resolve protests to the awards of competitive sealed proposal contracts and procurements of professional services.

Your Committee received testimony in support of this measure from the Department of Transportation; Subcontractors Association of Hawaii; and Associated Builders and Contractors, Hawaii Chapter. Your Committee received testimony in opposition to this measure from the Department of Accounting and General Services. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that the timely review and resolution of bid protests reduces the costs of state-awarded projects. Your Committee recognizes that bid protests may involve complex issues and that some agencies have taken six months or longer to respond to a bid protest. Your Committee further finds that creating a deadline for the reviewing department or agency to address protest concerns would cause even more delay in the bid protest process. Your Committee notes that existing statutes on administrative hearings of bid protests require a resolution within forty-five



days and therefore concludes, that seventy-five calendar days, with an extension of thirty calendar days for extenuating circumstances, is a sufficient timeframe for a procuring department or agency to resolve its bid protests.

Your Committee has amended this measure by:

- (1) Removing language that would have set internal deadlines for the purchasing agency and any reviewing department or agency to complete the review of a protest concerning the solicitation or award of a contract;
- (2) Inserting language that requires the resolution of the bid protest within seventy-five calendar days of receipt of the protest;
- (3) Allowing for an extension of the seventy-five day resolution period under certain circumstances; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 1329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1329, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

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



SHARON MORIWAKI, Chair



