STAND. COM. REP. NO. 96 -22

Honolulu, Hawaii FEB 10 , 2022

RE: H.B. No. 2183 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred H.B. No. 2183 entitled:

"A BILL FOR AN ACT RELATING TO THE PROCUREMENT OF PROFESSIONAL SERVICES,"

begs leave to report as follows:

The purpose of this measure is to allow purchasing agencies to procure professional services when there are fewer than three qualified persons who respond to a professional service notice.

Your Committee received testimony in support of this measure from the University of Hawai'i System, Department of Accounting and General Services, and Department of Budget and Fiscal Services of the City and County of Honolulu. Your Committee received testimony in opposition to this measure from the American Council of Engineering Companies of Hawaii; American Institute of Architects, Hawaii State Council; Hart Crowser, Inc.; and three individuals. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that existing law does not allow for an alternative if less than three qualified persons respond to a professional services notice. As a result, professional service procurements may be delayed indefinitely until the minimum number of qualified submissions is obtained. This measure provides state

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agencies with more timely alternatives to complete procurement of professional services when there are fewer than three qualified submissions.

Your Committee has accordingly amended this measure by:

- (1) Clarifying that if less than three qualified persons respond to a solicitation for professional services, a purchasing agency may submit a request for alternative procurement approval from the Chief Procurement Officer or Chief Procurement Officer's designee; and
- (2) Changing its effective date to July 1, 2112, to encourage further discussion.

Your Committee notes that the American Council of Engineering Companies of Hawaii indicated to your Committee that they would provide language to address the concerns raised in their testimony. However, your Committee has not yet received this language. Your Committee accordingly amended this measure using language provided by the State Procurement Office, as this will address policy goals without eliminating the competitive bidding process completely should there be less than three qualified professional servicers applying.

Should your Committee on Consumer Protection & Commerce choose to deliberate on this measure further, your Committee respectfully requests that your Committee on Consumer Protection & Commerce follow up with the American Council of Engineering Companies of Hawaii for suggested language that could alleviate the concerns raised in their testimony.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2183, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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

ANGUS L.K. MCKELVEY, Chair

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State of Hawaii

House of Representatives The Thirty-first Legislature **HSCE** 196-22

## **Record of Votes of the Committee on Government Reform**

| Bill/Resolution No.:<br>HB 2183  | Committee Referral: $GVR$ , $CPC$ , | FIN Date:                     | . 9 .                                    | 22   |
|--|-------------------------------------|-------------------------------|--|--|
| 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)  |                                     |                               |  |  |
| GVR Members  | Ayes                                | Ayes (WR)                     | Nays                                     | Excused  |
| 1. McKELVEY, Angus L.K. (C)  |                                     |                               |  |  |
|  |                                     |                               |  |  |
| 2. WILDBERGER, Tina (VC)   |                                     |                               |  |  |
|  |                                     |                               |  |  |
| 3. ELI, Stacelynn K.M.   |                                     |                               |  |  |
|  |                                     |                               | nen ortorrigity.                         |  |
| 4. ICHIYAMA, Linda   |                                     |                               |  |  |
| 5. MIZUNO, John M.   | <u> </u>                            |                               |  |  |
| 3. MILLONO, JOINI M.   |                                     |                               |  |  |
| 6. WOODSON, Justin H.  |                                     | <u>i di terdinden son A A</u> | <u>ar Malada Angela</u> ka sa s          | <u>, principal de la site de la composition de la<br/>Composition de la composition de la </u> |
|  |                                     |                               |  |  |
| 7. YAMASHITA, Kyle T   | /                                   |                               | a talah dalam Haribi ya 17 ang bi ya     | (b) Substant Process of the standard with data.  |
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| 8 WARD, Gene   | 7                                   |                               |  |  |
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| TOTAL (8)  | 7                                   | $\otimes$                     | $\Diamond$                               | 7,   |
| The recommendation is: Image: Adopted image: Committee acronym(s) im |                                     |                               |  |  |
| Vice Chair's or designee's signature:  |                                     |                               |  |  |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO   |                                     |                               |  |  |