STAND. COM. REP. NO. 1424-22

, 2022

Honolulu, Hawaii

MAR 24

RE: S.B. No. 2385 S.D. 2 H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2385, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to authorize a purchasing agency to submit a request for alternative procurement approval from the Chief Procurement Officer or Chief Procurement Officer's designee if fewer than three qualified persons respond to a solicitation.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, University of Hawai'i System, Department of Budget and Fiscal Services of the City and County of Honolulu, and Department of Finance of the County of Kaua'i. Your Committee received testimony in opposition to this measure from the American Institute of Architects Hawaii State Council; Community Planning and Engineering, Inc.; Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc.; The Limtiaco Consulting Group; Ronald N.S. Ho and Associates, Inc.; CONSOR Engineers, LCC; Yogi Kwong Engineers, LLC; Gray, Hong, Nojima and Associates, Inc.; American Council of Engineering Companies of Hawaii; Hart Crowser; Mason Architects, Inc.; and three individuals. Your Committee received comments on this

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measure from the Department of Transportation and State Procurement Office.

Your Committee finds that the administrative rules adopted by the Procurement Policy Board previously provided for an alternative in situations when less than three qualified persons responds to a professional services notice. However, this alternative was repealed in 2016 as a result of a Hawaii Supreme Court decision. As a result, agencies must broaden or reduce the scope of work in the notices and repeatedly resolicit until more responses are received. This measure provides state agencies with more timely alternatives to complete procurement of professional services when there are fewer than three qualified submissions.

Your Committee has amended this measure by:

- Authorizing agencies to seek an exemption from the procurement process, rather than a request for an alternate procurement approval process; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2385, S.D. 2, H.D. 2.

> Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

JOHANSON, Chair

State of Hawaii

House of Representatives The Thirty-first Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 2385, SD2, HD1		Committee Referral: GVR, CPC, FIN			Date: 3 22 12		
□ 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)							
CPC Members		Ayes	Ayes (W	R)	Nays	Excused	
1. JOHANSON, Aaron Ling (C)		V					
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2. KITAGAWA, Lisa (VC)		V					
3. AQUINO, Henry J.C.		\checkmark					
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4. HAR, Sharon E.							
5. HASHEM, Mark J.		ander ander en	l de gibber	e dan ke			
3. HASHENI, Mark J.							
6. KONG, Sam Satoru			, 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997	<u></u>	<u></u>	kan sala sange Bali Barai Si Sana	
7. MIZUNO, John M.	a har yan di sa shi kaɗa ƙasar ƙasar ƙasar ƙasar ƙ	749-2-806-2-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	10 L We are the mer a second prove			\sim	
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8. MORIKAWA, Dee		\checkmark			a e vera e la factoria	· · · · · · · · · · · · · · · · · · ·	
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9. ONISHI, Richard H.K.							
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10. TARNAS, David A.							
11. MATSUMOTO, Lauren	<u>annia da an an</u>	<u>. /</u>	<u>a da kana kana sa</u>	<u>in gelek o</u> liniti			
11. MAISUMOTO, Lauren		Y			. <u> </u>		
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TOTAL (11)		7	2		0	2	
The recommendation is: Adopted If joint referral, did not support recommendation.							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							