

STAND. COM. REP. NO. **1355**

Honolulu, Hawaii

MAR 24 2023

RE: H.B. No. 1184
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred H.B. No. 1184, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to provide a process by which agencies may procure professional services when fewer than three qualified persons respond to an additional solicitation.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, University of Hawai'i System, Office of the Mayor of Maui County, and Department of Budget and Fiscal Services of the City and County of Honolulu. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the State Procurement Office, Department of Finance of the County of Kauai, American Institute of Architects Hawaii State Council, and American Council of Engineering Companies of Hawaii.

Your Committee finds that state agencies may procure professional services for certain projects that require additional expertise. However, for certain state and county agencies, especially agencies located on the neighbor islands, there is a



lack of accessibility to readily available and qualified vendors or professional services to ensure projects continue in a timely manner. This measure eases the procurement process for certain solicitations to ensure the continuation of projects vital to state functions.

Your Committee notes that the companion to this measure, S.B. No. 1465, S.D. 2 (Regular Session of 2023), which was previously passed by the Senate, is a substantially similar measure that also authorizes agencies to rank fewer than three individuals for professional services when fewer than three qualified persons respond to the solicitation or request to use alternative procurement procedures when no qualified person responds to the solicitation. Your Committee concludes that the language in S.B. No. 1465, S.D. 2, is preferable because it:

- (1) Reflects the consensus language of stakeholders that best represents the agreement reached through their discussions thus far;
- (2) Provides additional parameters for purchasing agencies to fulfill in the event of a bid receiving fewer than three qualified persons; and
- (3) Ensures the structural and procedural adherence consistent with existing procurement law while also authorizing state and county agencies to seek repetitive and alternative means to award critical professional service contracts to entities who have been deemed qualified to provide vital services.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 1465, S.D. 2, a substantially similar measure, which authorizes agencies, upon approval by the Chief Procurement Officer, to rank fewer than three persons for the procurement of professional services, and:

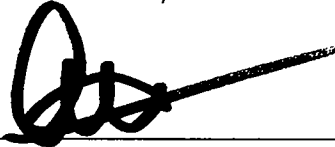
- (1) In the event two qualified persons respond to the solicitation, authorizes the agencies to rank the respondents using specified criteria;



- (2) In the event one qualified person responds to the solicitation, authorizes the agencies to evaluate the person's qualifications and provide the name of the person to the head of the purchasing agency to negotiate a contract at a fair and reasonable price;
- (3) In the event no qualified person responds to the solicitation, specifies alternative procurement procedures to select a qualified person; and
- (4) Inserts an effective date of July 1, 2112.

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 H.B. No. 1184, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1184, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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

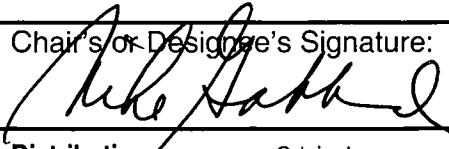


ANGUS L.K. MCKELVEY, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1184 HD1	GVO, WAM	03-16-23		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
MCKELVEY, Angus L.K. (C)	✓			
GABBARD, Mike (VC)	✓			
SAN BUENAVENTURA, Joy A.	✓			
WAKAI, Glenn				✓
AWA, Brenton	✓			
TOTAL	4	—	—	1
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