

STAND. COM. REP. NO. 2495

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 2827

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2827 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to require cash or protest bonds paid or filed by parties initiating an administrative appeal for protests of solicitations or award of contracts under the Hawaii Public Procurement Code to be returned to the initiating parties, minus administrative costs as determined by the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs, except in cases where the initiating party does not prevail in the administrating hearing or the appeal was frivolous or made in bad faith.

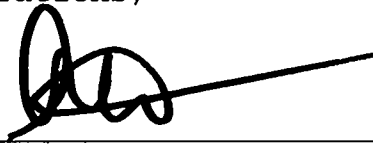
Your Committee received testimony in support of this measure from the Subcontractors Association of Hawaii; Ralph S. Inouye Co., Ltd.; General Contractors Association of Hawaii; King & Neel Pacific, Inc.; Jas. W. Glover, Ltd.; and Healy Tibbitts Builders, Inc.

Your Committee finds that Hawaii is the only state that does not return cash or protest bond that is required to be paid or filed by an initiating party when the party prevails on its protest. This measure ensures a deterrence of frivolous appeals without deterring legitimate appeals, and additionally addresses administrative cost recovery.



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. 2827 and recommends that it pass Second Reading and be referred to your Committee on Commerce and Consumer Protection.

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.: SB 2827	Committee Referral: GVO, CPN	Date: 2/1/24		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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	5	—	—	—
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