

Honolulu, Hawaii

MAR 0 1 2019

RE: S.B. No. 1333
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B.
No. 1333, S.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 increase
efficiency and accountability in state procurement.

Specifically, this measure:

- (1) Requires that past performance be considered in sole source procurements and procurement by competitive sealed bids or competitive sealed proposals that meet or exceed the small purchase threshold;
- (2) Requires that contracting officers consider past performance when making a determination of offeror responsibility;
- (3) Requires procurement officers to conduct written past performance evaluations at least annually and at the time the work under a contract or order is completed, and maintain the evaluations in the department's procurement files and in a statewide past performance database;



- (4) Establishes an initial procurement working group; and
- (5) Appropriates funds to develop and create a statewide past performance database and outsource two full-time equivalent positions.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, State Procurement Office, and Subcontractors Association of Hawaii.

Your Committee finds that the past performance database created by this measure will reward contractors who have historically performed well by allowing them to cite their prior work when bidding on future contracts with the State.

Your Committee has amended this measure by:

- (1) Clarifying that the initial procurement working group shall identify issues relating to existing procurement methods;
- (2) Requiring the initial procurement working group to recommend specific objective criteria to be used when evaluating the past performance of bidders in a competitive sealed bid procurement;
- (3) Clarifying that the state procurement administrator shall serve as chair of the initial procurement working group;
- (4) Providing that the Director of Transportation or the Director's designee shall serve on the initial procurement working group;
- (5) Providing that the initial procurement working group shall submit a report of its findings and recommendations to the Legislature no later than November 1, 2020;
- (6) Changing the effective date to July 1, 2050, and providing that provisions requiring the consideration of past performance in certain procurements shall be

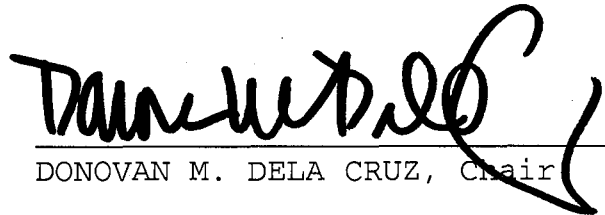


effective January 1, 2050, to facilitate further discussion on the measure; and

- (7) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1333, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1333, S.D. 2.


Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB1333 SDI</i>	<i>GVO, WAM</i>	<i>2/20/19</i>		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil				X
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
TOTAL	<i>11</i>			<i>2</i>
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