

STAND. COM. REP. NO.

103

Honolulu, Hawaii

FEB 09 , 2021

RE: H.B. No. 526
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred
H.B. No. 526 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the State Procurement Office to implement and administer a past performance database with regard to state contractors;
- (2) Appropriate funds for the design and implementation of the database;
- (3) Require the past performance of contractors' positive, negative, or lack of previous experience to be considered in bid selection of a contractor; and
- (4) Require departments to consider available assessments of previous performance on relevant and recent government and private contracts when making contract awards.

Your Committee received testimony in support of this measure from the Department of Transportation and one individual. Your Committee received testimony in opposition to this measure from

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the Department of Accounting and General Services. Your Committee received comments on this measure from the State Procurement Office and one individual.

Your Committee finds that the State's procurement process requires clear legislative direction to award contracts to responsible bidders or offerors to increase accountability, enhance performance, and utilize taxpayer dollars more efficiently. Your Committee further finds that currently, some state contracts may be awarded to the lowest bidder without regard to that bidder's poor past performance, which may lead to these bidders being considered qualified despite their poor past performance and result in repeated inefficiencies and substandard work. Your Committee believes consideration of past performance of a bidder will offer another level of consideration and diligence in evaluating responsibility, provide additional insight to positively impact the award selection, enhance quality performance, and efficiently and effectively utilize taxpayer dollars.

Your Committee has amended this measure by:

- (1) Deleting provisions requiring the State Procurement Office to implement and administer a past performance database with regard to state contractors, as efforts are already underway to address this issue in the Office's administrative rules;
- (2) Amending the purpose of the appropriation to be for the development and implementation of guidance and related implementation training for several tools relating to a past performance guide and past performance database, to be expended by the State Procurement Office;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As this measure proceeds through the legislative process, your Committee respectfully requests consideration be given to appropriating \$164,000 to the State Procurement Office for the development and implementation of guidance and related



implementation training for several tools relating to a past performance guide and past performance database.

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. 526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 526, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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



ANGUS L.K. McKELVEY, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature **HSCR 103**

Record of Votes of the Committee on Government Reform

Bill/Resolution No.: HB 526	Committee Referral: GVR, JHA, FIN	Date: 2.5.21		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> 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. CULLEN, Ty J.K.	✓			
4. ELI, Stacelynn K.M.	✓			
5. ICHIYAMA, Linda	✓			
6. MIZUNO, John M.	✓			
7. WOODSON, Justin H.	✓			
8. YAMASHITA, Kyle T.	✓			
9. WARD, Gene	✓			
TOTAL (9)	9	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>T. Winga</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				