

STAND. COM. REP. NO.

1069

Honolulu, Hawaii

MAR 19 , 2021

RE: S.B. No. 1391
S.D. 2
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
S.B. No. 1391, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to authorize the Procurement Policy Board to adopt and, as necessary, amend specific rules that require the consideration of life-cycle costs in all state procurements on or before December 31, 2021.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office and two individuals. Your Committee received testimony in opposition to this measure from the Department of Transportation. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that although existing law encourages the consideration of ongoing life-cycle costs to promote energy efficiency, it neither requires nor effectively provides for full and effective accounting and consideration of life-cycle costs in procurement practices and procedures. Your Committee further finds that consideration of life-cycle costs in the procurement of goods, services, and construction is critical to ensure the sound economic management of the State's financial resources.

2021-2511 SB1391 HD1 HSCR HMSO



Your Committee has amended this measure by:

- (1) Removing the deadline date of December 31, 2021, for when the Procurement Policy Board may adopt and amend rules that require the consideration of life-cycle costs in all state procurements;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) 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 Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1391, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1391, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



ANGUS L.K. MCKELVEY, Chair



Record of Votes of the Committee on Government Reform

Bill/Resolution No.: <i>SB 1391, SD 2</i>	Committee Referral: <i>GVR, CPC, FIN</i>	Date: <i>3-17-22</i>		
<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)	<i>7</i>	<i>0</i>	<i>0</i>	<i>2</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <i>Tim Wilberger</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				