

Honolulu, Hawaii

FEB 10 , 2022

RE: H.B. No. 2071  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred  
H.B. No. 2071 entitled:

"A BILL FOR AN ACT RELATING TO PURCHASES OF HEALTH AND HUMAN  
SERVICES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require purchasing agencies to analyze a proposed cost or price and make a written determination that the amount of a contracting action for purchases of health and human services is fair and reasonable;
- (2) Amend the circumstances for when treatment services may be purchased and the procedure to purchase certain treatment services;
- (3) Increase the small purchase threshold for purchases of health and human services from less than \$25,000 to less than \$100,000; and
- (4) Repeal the Community Council on Purchase of Health and Human Services.



Your Committee received testimony in support of this measure from the State Procurement Office. Your Committee received comments on this measure from the Hawai'i Alliance of Nonprofit Organizations.

Your Committee finds that the amendments made in this measure to the State procurement laws relating to purchases of health and human services will promote procurement efficiency, program success, and government accountability.

Your Committee has amended this measure by:

- (1) Deleting provisions which required purchasing agencies to analyze a proposed cost or price and make a written determination that the amount of a contracting action for purchases of health and human services is fair and reasonable;
- (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.

Your Committee notes that section 2 of this measure, as introduced, requires a procurement officer to purchase services for health and human services from responsible sources at fair and reasonable prices, and is similar to section 103D-312, Hawaii Revised Statutes, which provides that a procurement officer shall purchase goods, services, and construction from responsible sources at fair and reasonable prices. Should your Committee on Consumer Protection & Commerce deliberate on this measure further, your Committee respectfully requests that it look into the similarities of section 2 of this measure, as introduced, and section 103D-312, Hawaii Revised Statutes, and the issues raised in testimony, that departments already require proposers to provide a full detailed budget for purchases of health and human services.

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. 2071, as amended herein, and recommends that it pass Second



Reading in the form attached hereto as H.B. No. 2071, 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,



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ANGUS L.K. MCKELVEY, Chair



