STAND. COM. REP. NO. 894

Honolulu, Hawaii

## MAR 0 5 2021

RE: S.B. No. 1391

S.D. 2

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1391, 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 require the Procurement Policy Board to adopt, by December 31, 2021, specific rules that require the consideration of life-cycle costs in all state procurements.

Your Committee received written comments in support of this measure from the Hawaii State Energy Office.

The State Procurement Office and Department of Accounting and General Services submitted written comments on the measure.

Your Committee finds that this measure promotes full and effective accounting and consideration of life-cycle costs in the procurement of goods, services, and construction, and is thus critical to the prudent management of the State's financial resources.

Your Committee has amended this measure by:

- (1) Conforming the measure's definition of "life-cycle costs" to the definition found in section 196-11, Hawaii Revised Statutes;
- (2) Authorizing, rather than requiring, the Procurement Policy Board to adopt, by December 31, 2021, specific rules relating to life-cycle cost analysis; and
- (3) 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. 1391, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1391, S.D. 2.

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

DONOVAN M. DELA CRUZ

Chair

## The Senate Thirty-First Legislature State of Hawai'i

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral:			Date:		
SB 1391, SD 1	GVD, WAM		3/2/21			
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended X Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (W	R)	Nay	Excused
DELA CRUZ, Donovan M. (C)		X			-	
KEITH-AGARAN, Gilbert S.C. (VC)		X				
ENGLISH, J. Kalani		X	Ţ			
INOUYE, Lorraine R.		X				
KANUHA, Dru Mamo		X				
KIDANI, Michelle N.	· · · · · · · · · · · · · · · · · · ·	X				
MORIWAKI, Sharon Y.		X				
SHIMABUKURO, Maile S.L.		X				
TANIGUCHI, Brian T.		X				
WAKAI, Glenn		X				
FEVELLA, Kurt		, X				
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TOTAL		11				
Recommendation:						
Chair's or Designee's Signature:						
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\*Only one measure per Record of Votes