

Honolulu, Hawaii

FEB 17 2022

RE: S.B. No. 3039
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committees on Government Operations and Human Services,
to which was referred S.B. No. 3039 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to amend the
procurement laws relating to purchases of health and human
services to promote procurement efficiency, program success, and
government accountability by:

- (1) Requiring fair and reasonable costs or prices by
requiring an agency purchasing health and human services
to analyze a proposed cost or price and to document the
agency's determination that such cost or price is fair
and reasonable;
- (2) Increasing the small purchase threshold for health and
human services and authorizing the Procurement Policy
Board to adopt administrative rules to provide an
expedited method for purchasing agencies to
competitively procure health and human services small
purchases;
- (3) Increasing efficiency of short-term treatment purchase
of services; and



- (4) Abolishing the Community Council on Purchase of Health and Human Services.

Your Committees received testimony in support of this measure from the State Procurement Office and Department of Human Services. Your Committees received testimony in opposition to this measure from the Hawaii Substance Abuse Coalition. Your Committees received comments on this measure from the Hawai'i Alliance of Nonprofit Organizations.

Your Committees find that existing law governing the public procurement of health and human services is inefficient and costly. The procurement of health and human services can take several months to complete, if not longer, and is subject to further delay in the event of protests. Your Committees further find that the public procurement of health and human services often involves urgent needs and specialized services.

Accordingly, your Committees find that this measure will streamline the procurement process for health and human services by reducing inefficiencies and expanding the small purchase exemption threshold. This will expedite the procurement of urgently needed health and human services and reduce the administrative costs of procuring these services, while ensuring that transparency and accountability measures remain in effect.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Government Operations and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3039, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3039, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.



Respectfully submitted on
behalf of the members of the
Committees on Government
Operations and Human Services,



JOY A. SAN BUENAVENTURA, Chair

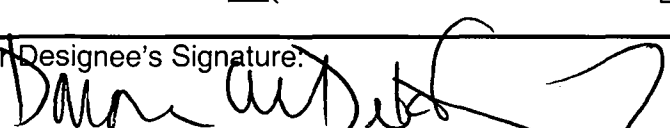


SHARON MORIWAKI, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB 3039	Committee Referral: GVO/HMS, WAM/JDC	Date: 02/08/22		
<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
MORIWAKI, Sharon Y. (C)	X			
DELA CRUZ, Donovan M. (VC)	X			
CHANG, Stanley	X			
GABBARD, Mike	X			
FEVELLA, Kurt	X			
TOTAL	5			
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

