

Honolulu, Hawaii

, 2022

MAR 24

RE: S.B. No. 3040
S.D. 2
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 Consumer Protection & Commerce, to which was referred S.B. No. 3040, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Create a State Procurement Automation System Special Fund;
- (2) Authorize the Administrator of the State Procurement Office to develop and administer procurement automation systems and charge and collect a transaction fee from all vendors using the procurement automation systems;
- (3) Delete language regarding qualified community rehabilitation programs made redundant by Act 55, Session Laws of Hawaii 2021; and
- (4) Establish five full-time equivalent positions in the State Procurement Office.

Your Committee received testimony in support of this measure from the Highways Division of the Department of Transportation,



State Procurement Office, and Hawaii State Council on Developmental Disabilities. Your Committee received testimony in opposition to this measure from the Hawai'i Alliance of Nonprofit Organizations. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that the State Procurement Office has digitized its processes and conducted business online to improve its level of customer service and seeks to transition to an online procurement automation system as a self-funded model to stay on par with industry standards. Procurement automation systems are accounting-oriented, multi-module, data-based systems that integrate all procurement activities from solicitation to contract management. Your Committee further finds that establishing self-funded procurement automation systems in Hawaii will maximize the administrative efficiency and resources of the State Procurement Office by paying for the development, implementation, legacy transition, maintenance, system training, configuration, and management of these systems.

Your Committee also finds that funding for additional positions will greatly benefit the State Procurement Office and will aid in the management of procurement automation systems and allow the Office to address the need for additional oversight of complex procurement issues, as recommended by the Special Committee on State of Hawaii Procurement.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3040, S.D. 2, H.D. 1, and recommends that it be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature

HB 1425-22

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <i>SB 3040, SD2, HD1</i>	Committee Referral: <i>GVR, CPC, FIN</i>	Date: <i>3/22/22</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.				✓
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.				✓
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	9	0	0	2
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: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				