

STAND. COM. REP. NO. 1097-22

Honolulu, Hawaii

MAR 18 , 2022

RE: S.B. No. 3369  
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 Government Reform, to which was referred  
S.B. No. 3369, 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:

- (1) Establish a working group to develop a plan for the phased in consolidation of procurement services and staff within executive branch agencies within a five-year timespan, excluding the Department of Education, Hawaii Health Systems Corporation, University of Hawaii, and Office of Hawaiian Affairs;
- (2) Require the working group to make recommendations for attracting high-quality procurement professionals to the State; and
- (3) Appropriate funds to the State Procurement Office to support the activities of the working group.

Your Committee received comments on this measure from the Department of Human Services, Department of Budget and Finance, and State Procurement Office.

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Your Committee finds that procurement activities throughout the State may not be consistently compliant with applicable procurement laws and administrative rules. Your Committee further finds that many purchasers conduct procurement activities as part of their "other duties as assigned" and have minimal training and experience in public procurement, which can lead to mistakes resulting in increased costs to the government. This measure will establish a working group to study and develop a responsible plan for the phased in consolidation of certain executive branch procurement services and staff, taking into account the unique aspects of procurement for each department, to increase competency and expertise, efficiency, and transparency in the public procurement process.

Your Committee notes that there are concerns regarding insufficient training being provided to teachers and Department of Education employees using the Hawaii Electronic Procurement System. Your Committee believes that including the Department of Education as part of the phased in consolidation plan will address those concerns.

Accordingly, your Committee has amended this measure by:

- (1) Including the Department of Education and its procurement services and staff in the consolidation plan; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Consumer Protection and Commerce, should it choose to deliberate on this measure, to look into the issue of teachers and Department of Education employees having insufficient training to use the Hawaii Electronic Procurement System.

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. 3369, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3369, 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,



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ANGUS L.K. McKELVEY, Chair



**Record of Votes of the Committee on Government Reform**

<b>Bill/Resolution No.:</b> SB 3369, SD 2	<b>Committee Referral:</b> GVR, CPC, FIN	<b>Date:</b> 3-16-22		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <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. COSTALES, Luella	✓			
4. ELI, Stacelynn K.M.	✓			
5. ICHIYAMA, Linda	✓			
6. MIZUNO, John M.				✓
7. WOODSON, Justin H.	✓			
8. YAMASHITA, Kyle T.	✓			
9. WARD, Gene	✓			
<b>TOTAL (9)</b>	8	0	0	1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> <i>Tina Wildberger</i>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				