

STAND. COM. REP. NO. **1426**-22

Honolulu, Hawaii
, 2022

MAR 24

RE: S.B. No. 3369
S.D. 2
H.D. 2

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. 3369, 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) 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 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 Budget and Finance and State Procurement Office.

2022-2483 SB3369 HD2 HSCR HMSO



Your Committee finds that procurement activities throughout the State may not be compliant with applicable procurement laws and administrative rules. Your Committee further finds that few executive branch departments have procurement or purchasing specialists, which can lead to mistakes resulting in increased costs to the government. The working group established by this measure will increase the competency and expertise, efficiency, and transparency in the public procurement process by studying and developing 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.

Your Committee notes that the Department of Education operates as its own procurement jurisdiction and has its own Procurement and Contracts Branch for goods and services, Facilities and Operations Branch for construction, and School Food Services for meal programs. Your Committee further notes that procurement for the Department of Education is highly specialized as each school as its own unique needs for its students and the Department is better suited in handling all aspects of procurement for the Department of Education.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language excluding the Department of Education from the requirements of this measure;
- (2) Clarifying that the single executive or chairperson of the executive board, as the case may be, of each principal executive branch, or their designees, shall be members of the working group;
- (3) Specifying that the reports to the Legislature include plans for the development and implementation of a multi-tiered certified training program and implementation of a procurement automation system; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 3369, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 3369, S.D. 2, H.D. 2.

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

FILE 1426-22

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <i>SB 3349, 502, HD4</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 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)				
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)	<i>9</i>	<i>0</i>	<i>0</i>	<i>2</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				