

STAND. COM. REP. NO.

2924

Honolulu, Hawaii

MAR 04 2022

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

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3369, 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 improve the efficiency and effectiveness of procurement in the State.

Specifically, this measure:

- (1) Establishes a working group to develop a plan for the five-year phased-in consolidation, under the State Procurement Office, of all state executive branch procurement services and staff, except those of the Department of Education, Hawaii Health Systems Corporation, University of Hawaii, and Office of Hawaiian Affairs;
- (2) Requires the working group to make recommendations for attracting high-quality procurement professionals to the State; and
- (3) Appropriates moneys to the State Procurement Office to support the activities of the working group.



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

Your Committee finds that the State Procurement Office recommended in its testimony that the procurement services working group include in its report recommendations to:

- (1) Improve the recruitment, retention, and competitive compensation of high-quality procurement professionals to prevent those persons from leaving the State for higher-paying positions in the private sector;
- (2) Develop and implement a multi-tiered certified training program to ensure that all procurement staff are properly trained; and
- (3) Implement a procurement automation system as an integral part of a centralized procurement environment to mitigate errors and risk, increase efficiency, and maximize resources.

Your Committee also recognizes the testimony of the Department of Accounting and General Services, which expressed concerns that the consolidation of construction procurement would not be universally beneficial for state agencies. Certain agencies have specialized procurement requirements that cannot be incorporated into a "one-size-fits-all" format and that failing to meet these requirements may jeopardize the missions and programmatic supports of those agencies, especially departments that must meet federal program or grant requirements. Accordingly, the Department of Accounting and General Services recommended revising the measure to exclude construction procurement from the procurement consolidation plan.

Similarly, your Committee recognizes testimony from the Department of Human Services, which requested that the measure be amended to exclude that department from the consolidation plan. Specifically, the Department of Human Services noted that its procurements require highly specialized expertise in subject matter areas that are unique to that department.

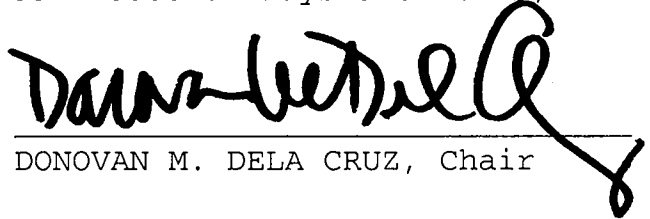


Your Committee has amended this measure by:

- (1) Changing the amount appropriated from \$250,000 to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity 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. 3369, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3369, S.D. 2.

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


DONOVAN M. DELA CRUZ, Chair



