

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



BONNIE KAHAKUI  
ACTING ADMINISTRATOR

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TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
LABOR & GOVERNMENT OPERATIONS  
February 7, 2023, 9:00 AM

HOUSE BILL 978  
RELATING TO PURCHASES OF HEALTH AND HUMAN SERVICES

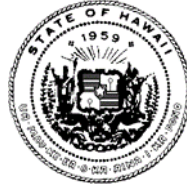
Chair Matayoshi, Vice Chair Garrett and members of the committee, thank you for the opportunity to submit testimony on House Bill 978. The State Procurement Office (SPO) **strongly supports** this bill, which increases efficiency of short-term treatment purchase of service and increases the small purchases threshold for health and human services to align with of 103D-305, Hawaii Revised Statutes.

If this bill is passed, agencies would have the ability to establish and use their own lists of qualified providers as needed, specifically for the provision of health and human services. Also, this bill will expedite services for specific needs for the public. Purchasing agencies will have an expedited way to competitively procure health and human services of less than \$100,000, with reduced administrative costs and burden to the State and provider community. This would free up scarce contracting workforce resources to execute complex high-dollar value procurements.

Thank you.

(HOUSE/SENATE bill no)  
(committee name)  
(date of hearing)  
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CATHY BETTS  
DIRECTOR  
KA LUNA HO'OKELE

JOSEPH CAMPOS II  
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STATE OF HAWAII  
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**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
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February 6, 2023

TO: The Honorable Representative Scot Z. Matayoshi, Chair  
House Committee on Labor & Government Operations

FROM: Cathy Betts, Director

SUBJECT: **HB 978 – RELATING TO PURCHASES OF HEALTH AND HUMAN SERVICES.**

Hearing: Tuesday, February 7, 2023, 9:00 a.m.  
Conference Room 309 & Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this administration measure, provides a comment, and defers to the State Procurement Office and other departments.

**PURPOSE:** The purpose of this Act is to amend the procurement laws relating to the purchase of health and human services to promote procurement efficiency, program success, and government accountability.

Section 3 of the proposed measure seeks to increase the small purchase of health and human services threshold from \$25,000 to \$100,000. The proposal will allow DHS to expedite and reduce administrative costs of its purchases of health and human service expenditures of \$25,000 to \$100,000 based on bid quotation submissions from vendors. In addition, the proposed process will be faster and allows the purchasing program to attend to its work. This measure will replace the competitive request process that may take several months and

includes the ability to protest the award, which adds additional time to procure and attend to needed work and services.

Thank you for the opportunity to provide comments on this measure.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



KEITH A. REGAN  
COMPTROLLER  
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN  
DEPUTY COMPTROLLER  
KA HOPE LUNA HO'OMALU HANA LAULĀ

**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ**  
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WRITTEN TESTIMONY  
OF  
KEITH A. REGAN, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE

COMMITTEE ON LABOR & GOVERNMENT RELATIONS

H.B. 978

FEBRUARY 7, 2023, 9:00 AM  
CONFERENCE ROOM 309 AND VIA VIDEOCONFERENCE, STATE CAPITOL

RELATING TO HEALTH AND HUMAN SERVICES.

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee, thank you for the opportunity to testify on H.B. 978.

The Department of Accounting and General Services (DAGS) supports this bill to authorize heads of purchasing agencies to issue requests for statements of qualification and to establish a list of qualified providers for treatment purchase of services and increases the small purchase threshold for health and human services.

The passage of this Governor's administrative package bill would allow for expedited services for the specific needs of the public.

Thank you for the opportunity to submit testimony on this matter.