

Honolulu, Hawaii

**MAR 21 2025**RE: H.B. No. 987  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred H.B. No. 987, H.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:

- (1) Establish a Procurement Automation System Special Fund;  
and
- (2) Add the Executive Director of the School Facilities Authority as the Chief Procurement Officer for the School Facilities Authority in the Hawaii Public Procurement Code.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and State Procurement Office.

Your Committee finds that Act 176, Session Laws of Hawaii 2022, authorized the State Procurement Office to develop and administer a procurement automation system and assess a transaction fee on vendors using the system beginning in fiscal year 2024-2025. Your Committee finds, however, that the Legislature did not establish a special fund into which the



collected fees can be deposited and accessed by the State Procurement Office to pay for the administration of the system. Therefore, the collected fees are currently being held in trust by the vendor who developed the procurement automation system. The fees in the trust may only be accessed and applied as credit with the current vendor, limiting the State Procurement Office's ability to efficiently expend the funds. This measure will streamline the self-funded model for the procurement automation system, allowing the State to utilize the collected transaction fees in the most effective manner.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 987, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 987, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Government  
Operations,



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ANGUS L.K. MCKELVEY, Chair



The Senate  
 Thirty-Third Legislature  
 State of Hawai'i

Record of Votes  
 Committee on Government Operations  
 GVO

Bill / Resolution No.:* <b>HB987 HD1</b>	Committee Referral: <b>GVO, WAM</b>	Date: <b>3-18-25</b>
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The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
MCKELVEY, Angus L.K. (C)	✓			
GABBARD, Mike (VC)	✓			
MORIWAKI, Sharon Y.	✓			
SAN BUENAVENTURA, Joy A.	✓			
FEVELLA, Kurt		✓		
<b>TOTAL</b>	<b>4</b>	<b>1</b>	<b>—</b>	<b>—</b>

Recommendation:  Adopted      Not Adopted

Chair's or Designee's Signature:  


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\*Only one measure per Record of Votes