

STAND. COM. REP. NO.

1442

Honolulu, Hawaii

MAR 22

, 2023

RE: S.B. No. 1129
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred S.B. No. 1129, 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 raise the procurement threshold for small purchases to \$50,000 and require that small purchase procurements for construction comply with certain competitive sealed bidding requirements.

Your Committee received testimony in support of this measure from the Hawai'i State Public Library System. Your Committee received testimony in opposition to this measure from the State Procurement Office and University of Hawai'i System.

Your Committee finds that this threshold for small purchases has not been amended since 1997 when, by Act 352, Session Laws of Hawaii 1997, it was increased from \$10,000 to \$25,000. In the intervening period, the cost of supplies, equipment, construction materials and services has risen and the existing procurement threshold hinders the efficient management of the volume and diversity of state and county purchases.

2023-2757 SB1129 HD1 HSCR HMSO



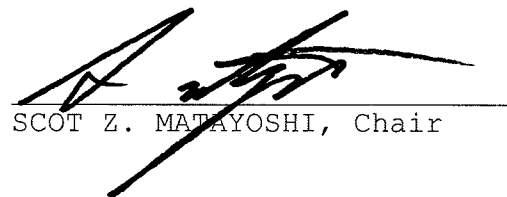
Your Committee further finds that the requirement that small purchases comply with the competitive sealed bidding requirements of section 103D-302(b), Hawaii Revised Statutes, effectively negates the utility of a transaction qualifying as a small purchase, unnecessarily complicates the procurement, and should be removed.

Your Committee has amended this measure by:

- (1) Deleting the requirement that small purchases comply with section 103D-302(b), Hawaii Revised Statutes, relating to competitive sealed bidding; and
- (2) 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 Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



SCOT Z. MATAYOSHI, Chair



