

STAND. COM. REP. NO.

468

Honolulu, Hawaii

FEB 12 , 2025

RE: H.B. No. 987  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Education, to which was referred H.B. No. 987 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the State Procurement Automation System Special Fund to receive transaction fees from the procurement automation system to pay for the system's administration, management, operation, maintenance, and upgrade; and
- (2) Add the School Facilities Authority Executive Director as a chief procurement officer.

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 in 2022, the Legislature authorized a procurement automation system and authorized the State Procurement Office to implement a transaction fee on vendors to pay for the administration of the system. However, the Legislature did not authorize a special fund into which to deposit

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the transaction fees collected. Until a special fund is established, the vendor contracted to implement the procurement automation system collects the fees and holds the funds in trust for the State. This measure will establish a special fund to hold these transaction fees and ensure that the fees deposited into the special fund will be administered by the State Procurement Office.

Your Committee further finds that when the School Facilities Authority was established under Act 72, Session Laws of Hawaii 2020, the Executive Director of the School Facilities Authority was mandated to serve as the Authority's Chief Procurement Officer. This measure will provide clarity by explicitly adding the Executive Director of the School Facilities Authority to the list of chief of procurement officers.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 987, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 987, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Education,

  
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JUSTIN H. WOODSON, Chair



