

Honolulu, Hawaii

MAR 30 , 2026

RE: S.B. No. 3230  
S.D. 2  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Labor, to which was referred S.B. No. 3230, 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:

- (1) Authorize governmental bodies and public employees to procure project management services through non-governmental third-party contracts under specified conditions;
- (2) Require prior written fiscal certification for budget transfers affecting project or contract budgets; and
- (3) Appropriate funds to establish a Special Project Branch within the Public Works Division of the Department of Accounting and General Services to support complex capital improvement projects.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services. Your Committee received testimony in opposition to this measure from the Chamber of Commerce Hawaii. Your Committee received comments



on this measure from the Department of Education and State Procurement Office.


Your Committee finds that the State is increasingly undertaking complex, high-profile capital improvement projects that require specialized project management expertise, innovative delivery methods, and enhanced fiscal oversight beyond existing internal capacity. While third-party project management services can provide valuable technical and administrative support, the absence of clear statutory boundaries risks diluting governmental accountability, weakening fiscal controls, and creating uncertainty regarding decision-making authority. This measure seeks to improve project delivery, accountability, and stewardship of public funds.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; 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 that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3230, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3230, 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,

  
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JACKSON D. SAYAMA, Chair



