

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



BONNIE KAHAKUI  
ADMINISTRATOR  
DAYNA OMIYA  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
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TESTIMONY  
OF  
BONNIE KAHAKUI, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE  
ON  
WAYS AND MEANS  
FEBRUARY 25, 2026, 10:56 AM

SENATE BILL 3230, SD1  
RELATING TO PUBLIC PROCUREMENT

Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 3230, SD1. The State Procurement Office (SPO) appreciates that the Senate Draft 1 of this bill incorporates the recommendations to remove categorical statutory prohibition on procuring project management services through non-governmental third-party contracts, and adds language affirming that oversight of third-party contracts remains an inherently governmental responsibility of the government agency.

For style and clarity, the SPO recommends the following change to Section 1, page 3, lines 17-19:

- (1) All [state] governmental agencies shall retain ultimate and final authority and accountability for project management as an inherently governmental responsibility.

Thank you for the opportunity to submit testimony 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 HAWAII | KA MOKU'ĀINA O HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY  
OF  
KEITH A. REGAN, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE

**COMMITTEE ON WAYS AND MEANS**

FEBRUARY 25, 2026, 10:56 A.M.  
CONFERENCE ROOM 211 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 3230, S.D. 1

RELATING TO PROCUREMENT

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee, thank you for the opportunity to submit testimony on S.B. 3230, S.D. 1. The Department of Accounting and General Services (DAGS) **supports** S.B. 3230, S.D.1.

The bill amends Hawaii's procurement laws to allow public employees to procure project management services from non-governmental entities while retaining governmental oversight. It mandates prior written certification from fiscal officers for budget transfers affecting project costs. Additionally, it appropriates \$728,927 to establish a Special Project Branch within the Department of Accounting and General Services for complex capital projects.

We believe that this version of the measure has taken our original concerns into account and have no further changes. We appreciate the support for the creation of the

S.B. 3230, S.D. 1

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special project branch within the department.

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



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
KA 'OIHANA HO'ONA'AUAO  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 02/25/2026

**Time:** 10:56 AM

**Location:** CR 211 & Videoconference

**Committee:** WAM

**Department:** Education

**Person Testifying:** Keith T. Hayashi, Superintendent of Education

**Title of Bill:** SB3230, SD1, RELATING TO PROCUREMENT.

**Purpose of Bill:** Authorizes governmental bodies and public employees to procure project management services through non-governmental third-party contracts under certain conditions. Clarifies the inherently governmental and nondelegable responsibility of state agencies, which must retain ultimate authority, accountability, and decision-making over contract performance. Requires every budget transfer to receive prior written certification from an appropriate fiscal officer as to the effect the budget transfer will have on the total project budget or the total contract budget. Appropriates funds to establish a Special Project Branch within the Public Works Division of the Department of Accounting and General Services, including funds for three full-time equivalent (3.0 FTE) permanent positions, to provide specialized expertise and staff resources that support the Division's implementation of certain complex, high-profile capital improvement program projects using innovative, non-traditional delivery methods. Effective 7/1/2525. (SD1)

**Department's Position:**

The Hawaii State Department of Education (Department) appreciates the opportunity to offer testimony to SB 3230 SD1.

Similar to other public works agencies across the state, the Department procures external consultants to provide services the Department's internal staff are unable to provide due to limited staffing, volume and complexity of projects the Department is tasked with completing, and the need for highly specialized technical skills, experience and knowledge that are not readily available internally.

The procurement of project management services provides the Department with the ability to access these critical resources in a timely manner and for example, allows for the delivery of critical infrastructure improvements to improve and upgrade improvements to the Department's statewide facilities portfolio of approximately 4,700 buildings on 21.5 million square feet.

The Department remains committed to ethical procurement practices.

Thank you for the opportunity to provide comments.