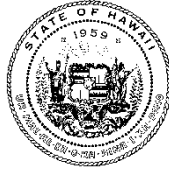


**JOSH B. GREEN, M.D.**  
GOVERNOR  
KE KIA'ĀINA



**BONNIE KAHAKUI**  
ADMINISTRATOR  
  
**DAYNA OMIYA**  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
**STATE PROCUREMENT OFFICE**

P.O. Box 119  
Honolulu, Hawaii 96810-0119  
Tel: (808) 586-0554  
email: [state\\_procurement\\_office@hawaii.gov](mailto:state_procurement_office@hawaii.gov)  
<http://spo.hawaii.gov>

TESTIMONY  
OF  
**BONNIE KAHAKUI, ADMINISTRATOR**  
**STATE PROCUREMENT OFFICE**

TO THE HOUSE COMMITTEE  
ON  
LABOR  
MARCH 24, 2026, 9:30 AM

SENATE BILL 3230, SD 2  
RELATING TO PROCUREMENT

Chair Sayama, Vice Chair Lee, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 3230, SD 2. The State Procurement Office (SPO) appreciates that the Senate Draft 2 of this bill incorporates the recommended language clarifying that all governmental agencies, not just state agencies, retain ultimate and final authority and accountability for project management. The SPO reaffirms that project management is an inherently governmental function and supports this provision to ensure clear responsibility and accountability.

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



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

**Date:** 03/24/2026

**Time:** 09:30 AM

**Location:** 309 VIA VIDEOCONFERENCE

**Committee:** LAB

**Department:** Education

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

**Title of Bill:** SB3230, SD2, 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 governmental 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. (SD2)

**Department's Position:**

The Hawaii State Department of Education (Department) appreciates the opportunity to offer comments on SB 3230 SD 2.

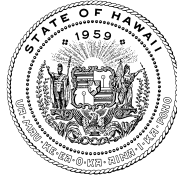
Similar to other public works agencies across the state, the Department procures external consultants to provide services the Department's internal staff are unable to provide due to limited staffing, volume and complexity of projects the Department is tasked with completing, and the need for highly 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 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.

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 LABOR**

MARCH 24, 2026, 9:30 A.M.  
CONFERENCE ROOM 309 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 3230, S.D. 2

RELATING TO PROCUREMENT

Chair Sayama, Vice Chair Lee, and members of the Committee, thank you for the opportunity to submit testimony on S.B. 3230, S.D. 2. The Department of Accounting and General Services (DAGS) **supports** S.B. 3230, S.D.2.

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.

We appreciate the support for the creation of the special project branch within the department. Thank you for the opportunity to provide testimony on this measure.



LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

Chamber of Commerce HAWAII



**Testimony to the House Committee on Labor  
Representative Jackson D. Sayama, Chair  
Representative Mike Lee, Vice Chair**

**Tuesday, March 24, 2024, at 9:30AM  
Conference Room 309 & Videoconference**

**RE: SB3230 SD2 Relating to Procurement**

Aloha e Chair Sayama, Vice Chair Lee, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber opposes Senate Bill 3230 Senate Draft 2 (SB3230 SD2), which authorizes governmental bodies and public employees to procure project management services through non-governmental third-party contracts under certain conditions

State and county agencies and departments already suffer overload from staffing constraints at their offices. These projects are numerous and require specialized expertise that is not readily available at these departments. SB3230 SD2 mounts pressure upon these strained agencies by limiting their ability to contract project management consultants. Such restriction increases the workload for state employees whose bandwidth is already maximized. Tasking them with completion of work for which they maintain little expertise further hinders the efficiency and effectiveness of these projects, leading to project delays. This legislation asks for expertise and bandwidth these agencies do not possess without sufficient provisions to meet these work demands.

While the Chamber appreciates the amendments that provide 3.0 FTE permanent positions to help with complex capital improvement projects, the needs for industry expertise spans far beyond infrastructure. Further, these three positions cannot offer the same labor supply and diversified expertise the consulting industry offers to meet Hawaii's state project needs. By concentrating these needs amongst a few FTE's this bill introduces another bottleneck for project delivery, increasing projects costs and delaying public benefit.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to defer Senate Bill SB3230 Senate Draft 2. Thank you for the opportunity to testify.