## A BILL FOR AN ACT

RELATING TO PUBLIC PROCUREMENT.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 103D-103, Hawaii Revised Statutes, is
 amended to read as follows:

"[4] \$103D-103[4] Retention of written determinations. 3 4 Written determinations required by this chapter shall be 5 retained in the appropriate official files of the chief procurement officer or in the case of delegated authority, in 6 7 the files of [that purchasing agency.] the procurement officer." SECTION 2. Section 103D-104, Hawaii Revised Statutes, is 8 9 amended as follows: (1) By adding a new definition to be appropriately 10 inserted and to read as follows: 11

12 "<u>"Subcontractor" means any person who enters into an</u>
13 agreement with the contractor to perform a portion of the work
14 for the contractor."

15 (2) By amending the definitions of "contractor" and
16 "procurement officer" to read as follows:

17 ""Contractor" means any [person] individual, partnership,

18 <u>firm, corporation, joint venture, or other legal entity</u> having a HB2057 HD1 LRB 10-1426-1.doc

2

1	contract with a governmental body $[-]$ to undertake the execution
2	of the work under the terms of the contract with the State and
3	acting directly or through its agents or employees.
4.	"Procurement officer" means [any] a person [authorized]
5	delegated the authority in writing to enter into and administer
6	contracts and make written determinations with respect thereto.
7	The term also includes an authorized representative acting
8	within the limits of authority."
9	(3) By repealing the definition of "purchasing agency".
10	[""Purchasing agency" means any governmental body which is
11	authorized by this chapter or its implementing-rules and
12	procedures, or by way of delegation, to enter into contracts for
13	the procurement of goods, services, or construction."]
14	SECTION 3. Section 103D-110, Hawaii Revised Statutes, is
15	amended by amending subsections (c), (d), and (e) to read as
16	follows:
17	"(c) Each [ <del>state</del> ] procurement officer of a department of
18	the executive branch shall attend a mandatory fundamental
19	training and development session within sixty days of being
20	appointed or named to the position of procurement officer.
21	(d) Each [ <del>state</del> ] procurement officer of a department of
22	the executive branch whom the state procurement office
	HB2057 HD1 LRB 10-1426-1.doc

Page 2

Page 3

1. determines is in need of further training and development based 2 upon: 3 (1) The history of procurement compliance to this chapter 4 by the agency to which the particular procurement officer is attached; or 5 6 (2) Any other need for training and development, 7 shall attend follow-up training and development sessions. 8 (e) Attendance by [state] procurement officers at the 9 follow-up training and development sessions, other than as 10 required under subsection (d), and by county procurement 11 [officials] officers at the fundamental and follow-up training 12 and development sessions is optional, though encouraged." 13 SECTION 4. Section 103D-207, Hawaii Revised Statutes, is 14 amended to read as follows: 15 "[+] §103D-207 [+] Centralization of procurement authority. 16 Except as otherwise provided in [sections] section 103D-208, 17 [103D-209, and-103D-210,] all rights, powers, duties, and 18 authority relating to the procurement of goods, services, and 19 construction, and the management, control, warehousing, sale, 20 and disposal of goods, services, and construction now vested in, or exercised by, the governmental bodies of the State and 21

### H.B. NO. <sup>2057</sup> H.D. 1

· ; <b>1</b>	counties are hereby transferred to the respective chief
2	procurement officers."
3	SECTION 5. Section 103D-301, Hawaii Revised Statutes, is
4	amended to read as follows:
5	"[+]§103D-301[+] Methods of source selection. [Unless
6	otherwise authorized by law, all contracts shall be awarded by
7	competitive sealed bidding pursuant to section 103D-302, except]
8	Contracts shall be awarded as provided in:
9	(1) Section 103D-302 (Competitive sealed bidding);
10	[ <del>(1)</del> ] <u>(2)</u> Section 103D-303 (Competitive sealed proposals);
11	[ <del>(2)</del> ] <u>(3)</u> Section 103D-304 (Professional services
12	procurement);
13	[ <del>(3)</del> ] <u>(4)</u> Section 103D-305 (Small purchases);
14	[(4)] (5) Section 103D-306 (Sole source procurement); and
15	[ <del>(5)</del> ] <u>(6)</u> Section 103D-307 (Emergency procurements)."
16	SECTION 6. Section 103D-302, Hawaii Revised Statutes, is
17	amended to read as follows:
18	"§103D-302 Competitive sealed bidding. (a) [Contracts
19	shall be awarded by competitive sealed bidding except as
20	otherwise provided in section 103D-301. Awards [of contracts by
21	competitive sealed bidding] may be made after single or multi-
22	step bidding. Competitive sealed bidding does not include
	HB2057 HD1 LRB 10-1426-1.doc

Page 5

negotiations with bidders after the receipt and opening of bids.
 Award is based on the criteria set forth in the invitation for
 bids.

2057 H.D. 1

H.B. NO.

4 (b) An invitation for bids shall be issued, and shall 5 include a purchase description and all contractual terms and 6 conditions applicable to the procurement. If the invitation for bids is for construction, it shall specify that all bids include 7 8 the name of each person or firm to be engaged by the bidder as a 9 joint contractor or subcontractor in the performance of the contract and the nature and scope of the work to be performed by 10 11 each. Construction bids that do not comply with this requirement may be accepted if acceptance is in the best 12 13 interest of the State and the value of the work to be performed 14 by the joint contractor or subcontractor is equal to or less 15 than one per cent of the total bid amount.

16 (c) Adequate public notice of the invitation for bids
17 shall be given a reasonable time before the <u>due</u> date set forth
18 in the invitation for [the-opening-of] bids. The policy board
19 shall adopt rules which specify:

20

The form that the notice is to take;

# H.B. NO. <sup>2057</sup> H.D. 1

1	(2)	[What constitutes a reasonable interim] Minimum period
2		between [ <del>publication</del> ] <u>notice</u> and bid [ <del>opening;</del> ] <u>due</u>
3		date; and
4	(3)	How notice may be [published,] provided, including
5		publication in a newspaper of general circulation,
6		notice by mail to all persons on any applicable
7		bidders mailing list, [ <del>publication</del> ] <u>notice</u> by any
8		public or private telecommunication information
9		network, or any other method of [ <del>publication</del> ] <u>notice</u>
10		it deems to be effective.
11	(d)	[Bids] Except for invitation for bids conducted on an
12	electronic	c procurement system, bids shall be opened publicly in
13	the preser	nce of one or more witnesses, at the time and place
14	designated	d in the invitation for bids. The amount of each bid
15	and other	relevant information specified by rule, together with
16	the name o	of each bidder, shall be recorded[ <del> The record</del> ] and
17	[each-bid]	shall be open to public inspection. Bid results for
18	procuremer	nts conducted on an electronic procurement system shall
19	<u>be availab</u>	ole on the system.

20 (e) Bids shall be unconditionally accepted without
21 alteration or correction, except as authorized in this chapter
22 or by rules adopted by the policy board.

Page 7

1 (f) Bids shall be evaluated based on the requirements set 2 forth in the invitation for bids. These requirements may 3 include criteria to determine acceptability such as inspection, 4 testing, quality, workmanship, delivery, and suitability for a 5 particular purpose. Those criteria that will affect the bid 6 price and be considered in evaluation for award shall be stated 7 in the invitation for bids and objectively measurable, such as discounts, transportation costs, and total or life cycle costs. 8 9 [The invitation for bids shall set forth the evaluation criteria 10 to be used.] No criteria may be used in bid evaluation that are 11 not set forth in the invitation for bids.

(q) Correction or withdrawal of inadvertently erroneous 12 13 bids before or after award, or cancellation of invitations for 14 bids, awards, or contracts based on such bid mistakes, shall be 15 permitted in accordance with rules adopted by the policy board. 16 After bid [opening] due date no changes in bid prices or other provisions of bids prejudicial to the interest of the public or 17 18 to fair competition shall be permitted. Except as otherwise 19 provided by rule, all decisions to permit the correction or 20 withdrawal of bids, or to cancel awards or contracts based on 21 bid mistakes, shall be supported by a written determination made 22 by the chief procurement officer or head of a purchasing agency.

### H.B. NO. <sup>2057</sup> H.D. 1

1 (h) The contract shall be awarded with reasonable 2 promptness by written notice to the lowest responsible and 3 responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids. In the event all bids 4 5 exceed available funds as certified by the appropriate fiscal 6 officer, the head of the purchasing agency responsible for the 7 procurement in question is authorized in situations where time 8 or economic considerations preclude resolicitation of work of a 9 reduced scope to negotiate an adjustment of the bid price, 10 including changes in the bid requirements, with the low 11 responsible and responsive bidder, in order to bring the bid 12 within the amount of available funds.

13 (i) When it is not practicable to initially prepare a 14 purchase description to support an award based on price, an 15 invitation for bids, which requests the submission of unpriced offers to be followed by an invitation for bids limited to those 16 17 bidders whose offers have been qualified under the criteria set 18 forth in the first solicitation, may be used. If a multi-step 19 sealed bidding process is used, the notice and the invitation 20 for bids shall describe each step to be used in soliciting, 21 evaluating, and selecting unpriced offers.

.

. .

1	<u>(j)</u>	At the time a bid is submitted, the bidder shall
2	provide e	vidence of:
3	(1)	Tax clearances from the director of taxation and the
4		Internal Revenue Service to the effect that all tax
5		returns due have been filed and all taxes, interest,
6	·	and penalties levied against the bidder or accrued
7		under title 14 that are administered by the department
8		of taxation and under the Internal Revenue Code have
9		been paid; and
10	(2)	Valid licensure or certifications, as required by law,
11		to provide the goods, services, or construction
12		described in the invitation for bids; provided that
13		this requirement shall not include bonding."
14	SECT	ION 7. Section 103D-303, Hawaii Revised Statutes, is
15	amended a	s follows:
16	(1)	By amending subsection (a) to read:
17	"(a)	Competitive sealed proposals may be utilized to
18	procure g	oods, services, or construction [ <del>designated in rules</del>
19	adopted b	y the procurement policy board as goods, services, or
20	construct	ion which] that are either not practicable or not
21	advantage	ous to the State to procure by competitive sealed
22	bidding.	[Competitive sealed proposals may also be utilized
	a da anna a' friann anns 1997 3 40 ann a' fri bhliad a' bhliad a' bhliad	1 LRB 10-1426-1.doc ,

10

1	when the head-of a purchasing agency determines in writing-that
2	the use of competitive-scaled bidding is either not practicable
3	or-not advantageous to the State.] "
4	(2) By amending subsection (d) to read:
5	"(d) Proposals shall be opened so as to avoid disclosure
6	of contents to competing offerors during the <u>evaluation</u> process
7	[ <del>of negotiation</del> ]. A register of proposals shall be prepared [ <del>in</del>
8	accordance with rules adopted by the policy board] and shall be
9	open for public inspection after contract award."
10	(3) By amending subsection (h) to read:
11	"(h) In cases of awards made under this section,
12	nonselected offerors may submit a written request for debriefing
13	to the [ <del>chief</del> ] procurement officer [ <del>or designee</del> ] within three
14	working days after the posting of the award of the contract.
15	Thereafter, the [ <del>head of the purchasing agency</del> ] procurement
16	officer shall provide the [requester] nonselected offerors a
17	prompt debriefing [ <del>in accordance with rules adopted by the</del>
18	policy board]. Any protest by the [requester] nonselected
19	offerors pursuant to section 103D-701 following debriefing shall
20	be filed in writing with the [ <del>chief</del> ] procurement officer [ <del>or</del>
21	designee] within five working days after the date that the
22	debriefing is completed."

11

1 SECTION 8. Section 103D-303.5, Hawaii Revised Statutes, is 2 amended by amending subsection (a) to read as follows: 3 "(a) At least fifteen days prior to submission of bids 4 pursuant to section 103D-302 for a construction or design-build 5 project with a total estimated contract value of \$500,000 or 6 more, and at least fifteen days prior to submission of proposals 7 pursuant to section 103D-303 for a construction or design-build 8 project with a total estimated contract value of \$100,000 or 9 more, the [head of the purchasing agency shall hold] procurement 10 officer shall conduct a pre-bid conference [and shall-invite] 11 for all potential interested bidders, offerors, subcontractors, 12 and union representatives to attend." SECTION 9. Section 103D-305, Hawaii Revised Statutes, is 13 14 amended by amending subsection (c) to read as follows: 15 Procurements of \$25,000 to less than \$100,000 shall "(c) 16 be made in accordance with small purchase procedures [; provided 17 that small purchase procurements through an electronic system 18 shall-be required after the policy board has adopted rules for 19 electronic procurement and provided training to the affected 20 ageney]."

21 SECTION 10. Section 103D-306, Hawaii Revised Statutes, is 22 amended to read as follows:



# H.B. NO. <sup>2057</sup> H.D. 1

1	"§103D-306 Sole source procurement. (a) A contract may
2	be awarded for goods, services, or construction without
3	competition only when the head of a purchasing agency
4	[determines]:
5	(1) <u>Determines</u> in writing that there is only one source
6	for the required [ <del>good, service,</del> ] goods, services, or
7	construction[ <del>, the</del> ];
8	(2) Was previously unable to award a contract for the
9	required goods, services, or construction due to the
10	absence of an offer or offeror qualified under section
11	103D-302(h) or 103D-303(g), as applicable; and
12	(3) Provides thirty days public notice of the intent to
13	award a contract by sole source procurement.
14	The written determination [is] shall be reviewed and approved by
15	the chief procurement officer[, the written determination-is]
16	and posted in the manner described in rules adopted by the
17	policy board[ <del>, and no objection is outstanding</del> ]. <u>Previous</u>
18	offerors pursuant to paragraph (2) may file an objection to the
19	written determination within five days of the issuance of the
20	determination under paragraph (1). The written determination,
21	any objection, and a written summary of the disposition of any
22	objection shall be included in the contract file.
	HB2057 HD1 LRB 10-1426-1.doc

### H.B. NO. <sup>2057</sup> H.D. 1

13

1	(b) The written determination shall contain [such]
2	information as <u>required by</u> the rules of the policy board
3	[ <del>require</del> ]. Persons may file written objections to <u>a written</u>
4	determination pursuant to subsection (a) or to the issuance of a
5	contract pursuant to this section. Rules of the policy board
6	shall provide for the disposition of objections[ <del>, including</del> ] <u>in</u>
7	the same manner as protests under section 103D-701; provided
8	that the rules shall require a written summary of the
9	disposition. No contract shall be awarded pursuant to this
10	section while an objection is outstanding.
11	(c) The rules of the policy board shall include [ <del>a non-</del>
12	exhaustive list-of-procurements which-constitute sole-source
13	<del>procurements and</del> ] criteria for determining when a particular
14	procurement may be determined to be a sole source. The rules
15	shall also prescribe when cost or pricing data must be
16	considered and how they are to be used in establishing the
17	price, terms, and conditions, if any, for a contract awarded
18	pursuant to this section.

19 (d) The auditor shall conduct an annual audit of contracts
20 awarded pursuant to this section and the procedures used to
21 award those contracts."

# H.B. NO. <sup>2057</sup> H.D. 1

1	SECTION 11. Section 103D-312, Hawaii Revised Statutes, is
2	amended by amending subsections (a) and (b) to read as follows:
3	"(a) [A contractor, except as provided in subsection (c),
4	shall submit-cost or pricing data and shall certify that, to the
5	best of the contractor's knowledge and belief, the cost or
6	pricing data submitted is accurate, complete, and current as of
7	a mutually determined specified date prior to the date of.
8	(1) The-pricing of any contract-awarded by competitive
9	sealed proposals or pursuant to the sole source
10	procurement authority, where the total contract amount
11	is expected to exceed an amount established by rules
12	adopted by the policy board; or
13	(2) The pricing of any change order or contract
14	modification-that is expected to exceed an amount
15	established by rules-adopted by the policy office.]
16	The procurement officer may request data or factual information
17	reasonably available to the offeror to substantiate that the
18	price offered is reasonable. Submission of data is limited to
19	that normally kept by the offeror and shall not require
20	extensive effort to gather data not reasonably available.
21	(b) Any contract, change order, or contract modification
22	[under which a certificate is required] shall contain a



### H.B. NO. <sup>2057</sup> H.D. 1

15

1 provision that the price to the State, including profit or fee,
2 shall be adjusted to exclude any significant sums by which the
3 State finds that the price was increased because the contractor
4 furnished cost or pricing data that was inaccurate, incomplete,
5 or not current as of the date agreed upon between the parties."
6 SECTION 12. Section 103D-316, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "[4]\$103D-316[4] Right to inspect plant. The State[7] or 9 <u>the procurement officer</u>, at reasonable times, may inspect the 10 part of the plant or place of business of a contractor or any 11 subcontractor that is related to the performance of a contract 12 awarded or to be awarded by the State."

13 SECTION 13. Section 103D-317, Hawaii Revised Statutes, is 14 amended to read as follows:

15 "[+] §103D-317[+] Right to audit records. (a) The 16 [purchasing agency,] procurement officer or the auditor, at 17 reasonable times and places, may audit the books and records of 18 any person who has submitted cost or pricing data pursuant to 19. section 103D-312 to the extent that such books and records 20 relate to such cost or pricing data. Any person who receives a 21 contract, change order, or contract modification for which cost 22 or pricing data is required, shall maintain such books and

### H.B. NO. <sup>2057</sup> H.D. 1

1 records that relate to such cost or pricing data for three years from the date of final payment under the contract, unless 2 another period is otherwise authorized in writing. 3 The [purchasing agency] procurement officer or the 4 (b) 5 auditor shall be entitled to audit the books and records of a 6 contractor or any subcontractor under any negotiated contract or subcontract other than a fixed-price contract to the extent that 7 such books and records relate to the performance of such 8 9 contract or subcontract. The books and records shall be 10 maintained by the contractor for a period of three years from 11 the date of final payment under the prime contract and by the 12 subcontractor for a period of three years from the date of final 13 payment under the subcontract, unless another period is 14 otherwise authorized in writing."

15 SECTION 14. Section 103D-320, Hawaii Revised Statutes, is 16 amended to read as follows:

17 "[+] \$103D-320[+] Retention of procurement records. All 18 procurement records shall be retained and disposed of in 19 accordance with chapter 94 and records retention guidelines and 20 schedules approved by the comptroller[-] or similar authority of 21 procuring governmental bodies not subject to the record

ì

22 retention jurisdiction of the comptroller."

#### H.B. NO. <sup>2057</sup> H.D. 1

1 SECTION 15. Section 103D-323, Hawaii Revised Statutes, is 2 amended by amending subsection (a) to read as follows: 3 "(a) Unless the policy board determines otherwise by 4 rules, bid security shall be required [only] for construction 5 contracts to be awarded pursuant to sections 103D-302 and 103D-6 303 and when the price of the contract is estimated [by the 7 procurement officer] to exceed [\$25,000] \$100,000 or, if the 8 contract is for goods or services  $[\tau]$  and the value of the 9 contract is greater than \$50,000, the [purchasing agency secures 10 the approval of the chief] procurement officer [-] includes a 11 requirement for bid security in the solicitation. Bid security 12 shall be a bond provided by a surety company authorized to do 13 business in the State, or the equivalent in cash, or [otherwise 14 supplied] in a form [specified in rules.] pursuant to section 103D-325. Solicitations for contracts that require bid security 15 16 shall state this requirement in the solicitation." SECTION 16. Section 103D-324, Hawaii Revised Statutes, is 17 18 amended by amending subsection (a) to read as follows: 19 "(a) Unless the policy board determines otherwise by 20 rules, the following bonds or security shall be delivered to the 21 [purchasing agency] procurement officer within ten days of the 22 contact award and shall become binding on the parties upon the HB2057 HD1 LRB 10-1426-1.doc 17 

Page 18

1 execution of the contract if the contract [which] that is 2 awarded exceeds  $[\frac{25,000}{7}]$  \$100,000 and is for construction $[\frac{1}{7}]$  or 3 the [purchasing agency secures the approval of the chief] procurement officer [+] includes a requirement for the bonds in 4 5 the solicitation: 6 A performance bond in a form [prescribed by the rules (1)7 of the policy board, ] pursuant to section 103D-325, executed by a surety company authorized to do business 8 in this State or otherwise secured in a manner 9 10 satisfactory to the [purchasing-agency,] procurement officer, in an amount equal to one hundred per cent of 11 12 the price specified in the contract; A payment bond in a form [prescribed by the rules of 13 (2)the policy board,] pursuant to section 103D-325, 14 15 executed by a surety company authorized to do business 16 in this State or otherwise secured in a manner 17 satisfactory to the [purchasing agency,] procurement officer, for the protection of all persons supplying 18 19 labor and material to the contractor for the 20 performance of the work provided for in the contract. 21 The bond shall be in an amount equal to one hundred per cent of the price specified in the contract; or 22



,

### H.B. NO. <sup>2057</sup> H.D. 1

•

1	(3) A performance and payment bond which satisfies all of
2	the requirements of paragraphs (1) and (2).
3	Solicitations for contracts that require a performance and
4	payment bond shall state this requirement in the solicitation."
5	SECTION 17. Section 103D-406, Hawaii Revised Statutes, is
6	amended to read as follows:
7	"[ <del>[</del> ]§103D-406[ <del>]</del> ] Specifications prepared by [ <del>architects</del>
8	and engineers.] persons other than governmental personnel. The
9	requirements of this part regarding the purposes and
10	nonrestrictiveness of specifications shall apply to all
11	specifications, including, but not limited to, those prepared by
12	[architects, engineers, designers, and drafting] professionals,
13	consultants, and any other individual for public contracts."
14	SECTION 18. Section 103D-410, Hawaii Revised Statutes, is
15	amended by amending subsections (b) and (c) to read as follows:
16	"(b) In implementing life-cycle costing, the purchasing
17	agency shall be guided by energy efficiency standards and
18	policies for purchasing various items developed and promulgated
19	by the United States Department of Energy and other federal
20	agencies, and nationally recognized trade associations,
21	including but not limited to the National Association of State
22	Purchasing Officials, the National Institute of Governmental
	HB2057 HD1 LRB 10-1426-1.doc

### H.B. NO. <sup>2057</sup> H.D. 1

20

Purchasing, Inc., the National Association of Purchasing 1 2 Management, and the Air Conditioning and Refrigeration 3 Institute. The [purchasing-agency] procurement officer shall notify bidders of information, procedures, and forms required in 4 5 implementing energy efficiency standards and policies. The 6 information required shall include purchasing standards and 7 policies developed by federal agencies and by nationally 8 recognized agencies and associations, as well as energy 9 consumption and life-cycle cost data.

10 (C) The [purchasing agency] procurement officer shall consider purchasing via the life-cycle costing method those 11 12 classes of items for which nationally recognized energy 13 efficiency data have been developed. These items shall include but not be limited to automobiles and air conditioning systems. 14 15 The watt-saving variety of common-sized fluorescent lamps shall 16 be purchased except where standard wattage of those lamps is specifically required by the using agency." 17

18 SECTION 19. Section 103D-1005, Hawaii Revised Statutes, is 19 amended as follows:

20

(1) By amending subsection (b) to read:

"(b) The state procurement office, with the assistance of
the office of solid waste management in the department of health

### H.B. NO. <sup>2057</sup> H.D. 1

as provided in section 342G-42, shall develop a recycled product 1 procurement program that shall require state [purchasing 2 agencies] procurement officers and urge county [purchasing 3 4 agencies] procurement officers to: 5 Apply preference to the purchase of products with (1)recycled content before purchasing products without 6 7 any recycled content; Be consistent with applicable federal specification 8 (2)9 standards incorporated in Executive Order No. 12873, 10 signed by the President of the United States on October 20, 1993, and any subsequent amendments to 11 12 that order; and 13 (3) Ensure, to the maximum extent economically feasible, 14 the purchase of materials that may be recycled or reused when discarded, and to avoid the purchase of 15 products deemed environmentally harmful." 16 (2) By amending subsection (e) to read: 17 When purchasing office paper and printed material, 18 "(e) 19 state [purchasing agencies] procurement officers shall, and county [purchasing agencies] procurement officers are urged to, 20 21 purchase only office paper and printed material with recycled 22 content, except when statutory, regulatory, or contractual HB2057 HD1 LRB 10-1426-1.doc 21 

# H.B. NO. <sup>2057</sup> H.D. 1

1	requireme	nts preclude the purchase of office paper or printed
2	material	with recycled contents of the same type and quantity as
3	the offic	e paper or printed material without recycled content."
4	SECT	ION 20. Section 103D-1010, Hawaii Revised Statutes, is
5	amended b	y amending subsection (b) to read as follows:
6	"(b)	The [purchasing agency] procurement officer shall:
7	(1)	Receive and review proposals submitted by qualified
8		community rehabilitation programs to provide goods or
9		services and determine if they are suitable for
10		purchase by the agency;
11	(2)	Negotiate the conditions and terms for the purchase,
12		including the price of the offer, between the agency
13		and the qualified community rehabilitation program;
14		provided that the price of the offer shall not exceed
15 ·		the fair market price and there is assurance that the
16		qualified community rehabilitation program proposal is
17		in compliance with all administrative rules related to
18		purchasing; and
19	(3)	Ensure that any goods or service purchased from a
20		qualified community rehabilitation program shall not
21		be placed on the Hawaii products list under section

٠

**22** 103D-1002."



22

·

# H.B. NO. <sup>2057</sup> H.D. 1

1	SECTION 21. Section 103D-1011, Hawaii Revised Statutes, is
2	amended to read as follows:
3	"[+]§103D-1011[+] Qualified community rehabilitation
4	program; proposal to provide goods and services. A qualified
5	community rehabilitation program shall be allowed to sell only
6	goods or services, also to include building custodial and
7	grounds maintenance services, to a governmental body. A
8	proposal shall be submitted to the [purchasing agency]
9	procurement officer containing the following information:
10	(1) A description of the goods or service;
11	(2) The price of the goods or service; and
12	(3) Documents and information necessary to qualify as a
13	qualified community rehabilitation program under
14	section 103D-1001."
15	SECTION 22. Section 103D-209, Hawaii Revised Statutes, is
16	repealed.
17	[" <del>§103D-209 Authority to contract for certain services.</del>
18	Except as provided in section 28-8.3 with respect to agencies of
19	the State of Hawaii, any governmental body of this State may act
20	as a purchasing agency and contract on its own-behalf for
21	professional services subject to this chapter and rules-adopted
22	by the policy board. The purchasing agency may consult with the
	HB2057 HD1 LRB 10-1426-1.doc

### H.B. NO. <sup>2057</sup> H.D. 1

1	chief procurement officer or the officer's designee when
2	procuring these services."]
3	SECTION 23. Section 103D-403, Hawaii Revised Statutes, is
4	repealed.
5	["[\$103D-403] Exempted items. Specifications for goods,
6	services, or construction items-procured under section 103D-209,
7	or those exempted pursuant to section 103D-210 may be prepared
8	by-a-purchasing-agency in accordance with this chapter-and-rules
9	adopted hereunder."]
10	SECTION 24. Statutory material to be repealed is bracketed
11	and stricken. New statutory material is underscored.
12	SECTION 25. This Act shall take effect on January 1, 2011;
13	provided that amendments made to section 103D-305, Hawaii
14	Revised Statutes, by this Act shall not be repealed when section
15	103D-305, Hawaii Revised Statutes, is reenacted pursuant to
16	section 14(1) of Act 175, Session Laws of Hawaii 2009.

•



24



25

**Report Title:** Procurement Code; Streamline

#### Description:

Amends various sections of the Hawaii Public Procurement Code, Chapter 103D, Hawaii Revised Statutes, to simplify and streamline procurement processes to enable agencies to expeditiously acquire the resources or services they need to perform their missions.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

