THE SENATE TWENTY-SIXTH LEGISLATURE, 2011 STATE OF HAWAII S.B. NO. <sup>1332</sup> S.D. 2 H.D. 2

1

# A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

1	SECTION 1. Chapter 304A, Hawaii Revised Statutes, is		
2	amended by adding a new section to subpart D of part VI to be		
3	appropriately designated and to read as follows:		
4	"§304A- Procurement complaints. Notwithstanding any		
5	law to the contrary, the administrator of the procurement office		
6	shall have the authority to determine corrective actions in the		
7	case of a complaint filed with the state procurement office		
8	regarding procurement at the University of Hawaii; provided that		
9	if a procurement officer under the jurisdiction of the		
10	administrator of the state procurement office or a chief		
11	procurement officer of any of the other state entities under		
12	section 103D-203, fails to comply with any determination		
13	rendered by the administrator within thirty days from the date		
14	of the issuance of the determination, or longer if permitted by		
15	the administrator upon request by the procurement officer or a		
16	chief procurement officer, the procurement officer or chief		
17	procurement officer shall be subject to an administrative fine		
18	under section 103D-106, for every day of noncompliance.		
	SB1332 HD2 HMS 2011-3483		

## **S.B. NO.** <sup>1332</sup> <sup>S.D. 2</sup> <sup>H.D. 2</sup>

2

1	SECTION 2. Section 103D-102, Hawaii Revised Statutes, is
2	amended by amending subsection (c) to read as follows:
3	"(c) Notwithstanding subsection (a), this chapter shall
4	not apply to contracts made by:
5	(1) Any regional system board of the Hawaii health systems
6	corporation;
7	(2) The Kahoʻolawe island reserve commission, except as
8	provided by section 6K-4.5; or
9	[+](3)[+] Except with respect to sections 103D-110, <u>103D-206</u> ,
10	and 103D-304 with respect to design professional
11	services furnished by licensees under chapter 464, and
12	sections 103D-324, 103D-707, and 103D-1002, the
13	university or the board of regents of the university."
14	SECTION 3. Section 304A-2690, Hawaii Revised Statutes, is
15	amended to read as follows:
16	"[+]§304A-2690[+] Construction projects. In the
17	solicitation for bids for construction projects with a total
18	estimated contract value of \$1,000,000 or higher, the university
19	shall require each bidder to submit a listing of the bidder's
20	subcontractors who are to perform work with a value that exceeds
21	[ <del>five</del> ] <u>one</u> per cent of the total bid amount submitted by the
22	bidder."



•

#### S.B. NO. <sup>1332</sup> S.D. 2 H.D. 2

3

SECTION 4. Act 82, Session Laws of Hawaii 2010, is amended 1 as follows: 2 1. By amending section 4 to read: 3 4 "SECTION 4. (a) The board of regents of the University of Hawaii shall submit annual reports to the legislature no later 5 than twenty days prior to the convening of the regular sessions 6 of [2011 and] 2011, 2012, 2013, and 2014, that shall include 7 8 [but not be limited to the following]: (1) A description of the University of Hawaii's internal 9 procurement process; 10 (2) A description of the University of Hawaii's internal 11 12 procedures for handling protests of solicitations or awards of contracts, if different from the procedures 13 described under chapter 103D, Hawaii Revised Statutes; 14 15 [<del>and</del>] (3) A description and summary of any protests or 16 litigation that have arisen during the period of time 17 that the University of Hawaii is exempt from chapter 18 103D, Hawaii Revised Statutes, with certain 19 exceptions, pursuant to this Act[-]; 20 (4) A description and status of construction projects in 21 excess of \$1,000,000 procured during the period of 22



## **S.B. NO.** <sup>1332</sup> S.D. 2 H.D. 2

4

1		time that the University of Hawaii is exempt from		
2		chapter 103D, Hawaii Revised Statutes, with certain		
3		exceptions, pursuant to this Act; and		
4	<u>(5)</u>	Any proposed legislation or recommendations to amend		
5		chapter 103D, Hawaii Revised Statutes; provided that		
6		the board of regents shall consult with the state		
7		procurement office on any proposed legislation or		
8		statutory amendment recommendations.		
9	(b)	Each year during which the University of Hawaii is		
10	exempt from chapter 103D, Hawaii Revised Statutes, the			
11	Universit	Iniversity of Hawaii shall submit a report to the legislature no		
12	later tha	n twenty days prior to the convening of each regular		
13	session.	The report shall include:		
14	(1)	Problems the University of Hawaii has identified with		
15		procurement provisions under chapter 103D, Hawaii		
16		Revised Statutes;		
17	(2)	Procedures the University of Hawaii has implemented as		
18		solutions to address such identified problems;		
19	(3)	Quantifiable outcomes of procurement procedures the		
20		University of Hawaii has implemented while exempt from		
21		chapter 103D, Hawaii Revised Statutes; and		



Page 5

S.B.	NO.	1332 S.D. 2 H.D. 2
------	-----	--------------------------

5

1	(4)	How	procurement procedures implemented by the
2		<u>Univ</u>	ersity of Hawaii have accelerated the acquisition
3		<u>of g</u>	oods, services, and construction while addressing
4		issu	es of equity and transparency in public
5		proc	urement.
6	(c)	In i	ts report to the legislature prior to the regular
7	session o	f 201	3, as required under subsection (a), the
8	Universit	y of	Hawaii shall also provide the legislature with
9	information on:		
10	<u>(1)</u>	Comp	liance with section 304A-2690, Hawaii Revised
11		Stat	utes, including:
12		<u>(A)</u>	A list of all construction contracts in excess of
13			\$1,000,000 entered into by the University of
14			Hawaii that are exempt from chapter 103D, Hawaii
15			Revised Statutes, with certain exceptions,
16			pursuant to this Act;
17		<u>(B)</u>	The amount of each contract;
18		<u>(C)</u>	Specific identification of which contracts either
19			required or did not require the listing of
20			subcontractors pursuant to section 304A-2690,
21			Hawaii Revised Statutes; and



S.B. NO. <sup>1332</sup> S.D. 2 H.D. 2

6

1	(2) Any formal complaints the University of Hawaii has
2	received from subcontractors in regard to or as a
3	result of section 304A-2690, Hawaii Revised Statutes."
4	2. By amending section 8 to read:
5	"SECTION 8. This Act shall take effect on July 1, 2010;
6	provided that on [ <del>July 1, 2012,</del> ] <u>December 31, 2012,</u> this Act
7	shall be repealed and sections 103D-102(c) and 304A-105(b),
8	Hawaii Revised Statutes, shall be reenacted in the form in which
9	they read on the day prior to the effective date of this Act."
10	SECTION 5. Statutory material to be repealed is bracketed
11	and stricken. New statutory material is underscored.
12	SECTION 6. This Act shall take effect on July 1, 2030.



Report Title: University of Hawaii; Procurement

#### Description:

Extends the exemption granted to the University of Hawaii (UH) from certain provisions of the Hawaii public procurement code to December 31, 2012. Requires additional reporting requirements. Permits review and investigation of complaints of UH procurement procedures by the Administrator of the Procurement Office. Effective July 1, 2030. (SB1332 HD2)

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

