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# A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1       SECTION 1. Section 103D-205, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3       "(a) For their respective jurisdictions and unless  
4 otherwise specifically provided in this chapter, each chief  
5 procurement officer shall serve as the central procurement  
6 officer for the officer's respective jurisdiction and:

7       (1) Procure or supervise the procurement of all goods,  
8 services, and construction;

9       (2) Exercise general supervision and control over all  
10 inventories of goods;

11       (3) Sell, trade, or otherwise dispose of surplus goods;

12       (4) Establish and maintain programs for the inspection,  
13 testing, and acceptance of goods, services, and  
14 construction;

15       (5) Coordinate with the administrator regarding  
16 procurement policies, opportunities for statewide  
17 innovation implementation, and concerns; [and]



(6) Report procurement contract data pursuant to requirements established by the administrator, in the form and manner prescribed by the state procurement office [-]; and

(7) Assist and cooperate with any compliance review by the administrator pursuant to section 103D-206."

SECTION 2. Section 103D-206, Hawaii Revised Statutes, is amended to read as follows:

"§103D-206 Additional duties of the administrator of the procurement office. In addition to the duties referred to in section 103D-205, the administrator shall:

(1) Perform periodic review of the procurement practices and procedures of all governmental bodies [7] for compliance with the procurement code;

(2) Assist, advise, and guide governmental bodies in matters relating to procurement;

(3) Determine corrective actions; provided that if a procurement officer under the jurisdiction of the administrator of the state procurement office or a chief procurement officer of any of the other state entities under section 103D-203, fails to comply with



1 any determination rendered by the administrator within  
2 thirty days from the date of the issuance of the  
3 determination, or longer if permitted by the  
4 administrator upon request by the procurement officer  
5 or a chief procurement officer, the procurement  
6 officer or chief procurement officer shall be subject  
7 to an administrative fine under section 103D-106, for  
8 every day of noncompliance;

9 (4) Develop and administer a statewide procurement  
10 orientation and training program;

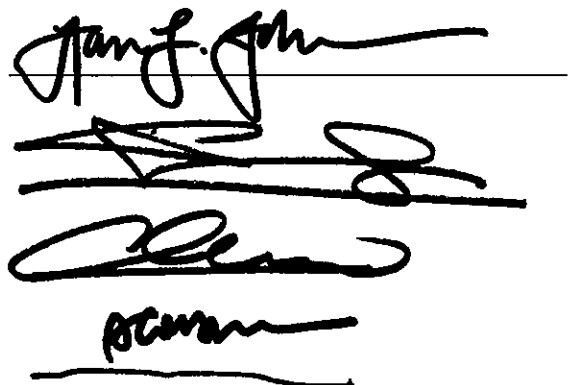
11 (5) Develop, distribute, and maintain a procurement manual  
12 for all state procurement officials; and

13 (6) Develop, distribute, and maintain a procurement guide  
14 for vendors wishing to do business with the State and  
15 its counties."

16 SECTION 3. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect upon its approval.  
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INTRODUCED BY:



**Report Title:**

Procurement; Administrator; Review

**Description:**

Requires all Chief Procurement Officers to assist and cooperate with any compliance review by the State Procurement Administrator. Clarifies that the Administrator has the authority to perform periodic compliance reviews of all governmental bodies.

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



DAVID Y. IGE  
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**TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE**

**TO THE HOUSE COMMITTEE  
ON  
ECONOMIC DEVELOPMENT & BUSINESS**  
February 12, 2016, 10:30 A.M

**HB 2060  
RELATING TO PROCUREMENT**

Chair Kawakami, Vice-Chair Kong, and members of the committee, thank you for the opportunity to submit testimony on HB 2060. The State Procurement Office (SPO) is in **support** of HB 2060, in amending subsection of 103D-205 by clarifying that the Administrator has the authority to perform periodic compliance review of all governmental bodies and shall have the assistance and cooperation from that department or agency.

Fairness, open competition, a level playing field, and government disclosure and transparency in procurement and contract processes are vital to good government and can only be obtained through consistent compliance to the procurement code.

Thank you for the opportunity to testify.