

JAN 19 2018

A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

SECTION 1. Section 103D-101, Hawaii Revised Statutes, is amended to read as follows:

"§103D-101 Requirements of ethical public procurement.

(a) All public employees shall conduct and participate in public procurement in an ethical manner. In conducting and participating in procurement, public employees shall:

- (1) Act as a fiduciary and trustee of public moneys;
- (2) Remain independent from any actual or prospective bidder, offeror, contractor, or business;
- (3) Act only in the public interest;
- (4) Abide by the statutes and administrative rules relating to public procurement;
- (5) Identify and maximize efficiencies in the public procurement process;
- (6) Encourage economic competition by:



(A) Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment; and

(B) Researching innovative goods and services to meet the public's needs;

(7) Avoid the intent and appearance of unethical behavior;

(8) Avoid social interactions with any actual or prospective bidder, offeror, contractor, business, or other interested parties during the procurement process;

(9) Maintain confidentiality in a manner that ensures a fair procurement process;

(10) Remain impartial in dealings with any actual or prospective bidder, offeror, contractor, business, or other interested parties; and

(11) Identify and eliminate any conflicts of interest.

(b) Any actual or prospective bidder, offeror, [†]contractor[†], or business taking part in the conduct of public procurement, shall act in good faith to practice purchasing ethics, and when applicable, display business



S.B. NO. 2390

integrity as a responsible offeror through the public procurement process, including but not limited to the following:

- (1) Avoiding the intent and appearance of unethical behavior or business practices;
- (2) Refraining from any activity that would create the appearance of impropriety or conflicts of personal interest and the interests of the State or counties;
- (3) Identifying and eliminating any conflicts of interest; and
- (4) Ensuring that all persons are afforded an equal opportunity to compete in a fair and open environment.

(c) All parties involved in the negotiation, performance, or administration of state contracts shall act in good faith.

(d) The requirements of this section and all ethical requirements established by the procurement policy board pursuant to section 103D-202 shall apply to all parties otherwise exempt from the provisions of this chapter involved in the negotiation, performance, or administration of any procurement contract made pursuant to this chapter."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.



S.B. NO. 2390

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY:

Michelle A. Kildani

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S.B. NO. 2390

Report Title:

Procurement; Code of Ethics

Description:

Establishes that the requirements of ethical public procurement and the procurement code of ethics established by the Procurement Policy Board apply to all parties to procurement contracts that are otherwise exempted from the procurement code.

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

