

SB 2913

SD-1

**RELATING TO
PROCUREMENT**

A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

SECTION 1. Section 103D-110, Hawaii Revised Statutes, is amended to read as follows:

"§103D-110 Education and training. (a) The department of human resources development, either alone or in cooperation with any governmental body, including the department of labor and industrial relations, or in cooperation with other states, the federal government, or other persons may:

(1) Conduct or participate in procurement education and training for persons not employed by the State; and

(2) Sponsor a purchasing certification program conducted by a voluntary organization of procurement professionals.

(b) The state procurement office, in cooperation with the department of human resources development, shall develop and maintain a procurement practices training and development program for procurement officers of ~~[the State and the several counties,]~~ any governmental body, to ensure that an agency's



1 procurement practices are in compliance with the procurement
2 code and that proper procurement decisions are made consistent
3 with this chapter. The program shall ~~[include a]~~ be mandatory
4 ~~[fundamental training and development session and follow-up~~
5 ~~training and development sessions.]~~ and shall be completed by
6 the procurement and contracting workforce delegated to procure
7 before they may engage in or authorize any procurement. The
8 procurement and contracting workforce delegated to procure shall
9 complete mandatory review training every three years thereafter;
10 provided that anyone who fails to do so shall no longer have the
11 authority to procure.

12 For purposes of this subsection, "contracting workforce"
13 shall include but not be limited to members of any committee or
14 group responsible for evaluating requests for proposal.

15 (c) ~~[Each state procurement officer of a department of the~~
16 ~~executive branch shall attend a mandatory fundamental training~~
17 ~~and development session within sixty days of being appointed or~~
18 ~~named to the position of procurement officer.]~~ With the
19 exception of the administrator of the state procurement office,
20 each chief procurement officer, executive department head, and



1 their deputies shall attend a mandatory fundamental training
2 session within ninety days of being appointed.

3 (d) Each state procurement officer of a department of the
4 executive branch whom the state procurement office determines is
5 in need of further training and development based upon:

6 (1) The history of procurement compliance to this chapter
7 by the agency to which the particular procurement
8 officer is attached; or

9 (2) Any other need for training and development,
10 shall attend follow-up training and development sessions.

11 ~~[(e) Attendance by state procurement officers at the~~
12 ~~follow up training and development sessions, other than as~~
13 ~~required under subsection (d), and by county procurement~~
14 ~~officials at the fundamental and follow up training and~~
15 ~~development sessions is optional, though encouraged.] "~~

16 SECTION 2. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so much
18 thereof as may be necessary for fiscal year 2018-2019 to update
19 training modules and implement the training for the procurement
20 workforce of the State.



1 The sum appropriated shall be expended by the state
2 procurement office for the purposes of this Act.

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

5 SECTION 4. This Act shall take effect upon its approval;
6 provided that section 2 shall take effect on July 1, 2050.



Report Title:

Procurement Officers; Education and Training; Appropriation

Description:

Requires all government procurement officers to attend a training and development program prior to participating in or authorizing any procurement. Requires all government procurement officers to complete review training every three years. Requires all procurement officers, department heads, and their deputies, except for the administrator of the State Procurement Office, to attend mandatory procurement training within ninety days of appointment. Appropriates funds. Effective 7/1/2050. (SD1)

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

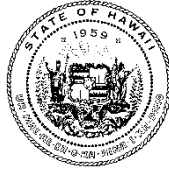


SB 2913

SD-1

TESTIMONY

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
MARA SMITH
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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**TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE
HOUSE COMMITTEE
ON
LABOR & PUBLIC EMPLOYMENT**

Tuesday, March 20, 2018, 10:00 a.m.

**SENATE BILL 2913, SD 1
RELATING TO PROCUREMENT**

Chair Johanson, Vice Chair Holt, and members of the committee, thank you for the opportunity to submit testimony on SB 2913, SD 1. The State Procurement Office (SPO) strongly supports the intent of the bill to ensure delegated procurement officers and procurement contracting workforce receive training.

To be effective, procurement training must be provided to all personnel conducting or participating in procurement and the training must be targeted to their role. Most departments do not centralize their procurement function resulting in hundreds of personnel who conduct or participate in procurements each year.

In addition, the SPO supports that delegated procurement and contracting workforce be required to complete mandatory review training every three years to ensure that they are accustomed to any new procurement guidance's within the procurement code. In order for a successful program to all departments and governmental agencies needs to track each of their employee's trainings to prevent any lapsing of their procurement delegation.

The amendment to the existing statute is necessary, because the procurement workforce need much more training than a mandatory fundamental training and developmental session to be taken within sixty days of being named to the position of procurement officer. The field of procurement is varied and complex, and changes constantly, thus creating a need for a full Body of Knowledge to be studied rather than a merely attending a single session.

The SPO is working on developing a robust certification program to enhance and uplift procurement as a professional career field, and training is an integral part in advancement of the procurement workforce to enable successful contracts.

The SPO is recommending the following amendment to Section 1, page 2, lines 7 to 11.

“The procurement and contracting workforce delegated to procure shall complete mandatory review training every three years thereafter; provided that anyone who fails to do so shall no longer have the authority to procure, all department and governmental agencies shall be responsible to keep track of their employee’s trainings to ensure all training requirements are met.

Thank you.

DAVID Y. IGE
GOVERNOR



RYKER WADA
INTERIM DIRECTOR

JASON MINAMI
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

March 19, 2018

**TESTIMONY TO THE HOUSE COMMITTEES ON
LABOR AND FINANCE**

For Hearing on Tuesday, March 20, 2018
10:00 a.m., Conference Room 309

By

Ryker Wada
Interim Director

Senate Bill No. 2913, S.D. 1
Relating to Procurement

(WRITTEN TESTIMONY ONLY)

CHAIRPERSONS JOHANSON AND LUKE, VICE CHAIRS HOLT AND CULLEN AND
MEMBERS OF THE COMMITTEES.

S.B. 2913, S.D. 1 refers to Section 103D-110, Hawaii Revised Statutes, and is amended to read: S103D-110 Education and Training. (a) The Department of Human Resources Development, either alone or in cooperation with any governmental body, including the Department of Labor and Industrial Relations, or in cooperation with other states, the federal government, or other persons may:

- 1) Conduct or participate in procurement education and training for persons not employed by the State; and
- 2) Sponsor a purchasing certification program conducted by a voluntary organization of procurement professionals.

The Department of Human Resources Development **does not** support this amendment.

The Department of Human Resources Development is solely responsible for the training of individuals employed by the State of Hawaii. In addition, the State

Procurement Office (SPO) should be responsible for the training of any persons in procurement training as subject matter experts. The SPO is currently responsible for this type of training and should continue to be for its expertise in this specialized area.

Thank you for the opportunity to testify on this measure.

SB 2913

SD-1

LATE

TESTIMONY

The Hawai'i Procurement Institute

March 20, 2018

House Committee on Labor & Public Employment
SB 2913, SD1, Relating to Procurement

Aloha Chair Johanson, Vice Chair Holt and members of the committee:

We are writing to support SB 2913, SD1, relating to procurement which requires all government procurement officers to attend a training and development program prior to participating in or authorizing any procurement. It also requires all government procurement officers to complete review training every three years and all procurement officers, department heads, and their deputies, except for the administrator of the State Procurement Office, to attend mandatory procurement training within ninety days of appointment.

The Hawai'i Procurement Institute is dedicated to sound procurement policy and is committed to promoting procurement education. It is a 501(c)(3) organization comprised of volunteers who are passionate about improving Hawai'i's procurement process.

Thank you for this opportunity to testify.

LATE