
A BILL FOR AN ACT

RELATING TO PROCUREMENT FOR THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. The legislature finds that the purpose of Act
2 87, Session Laws of Hawaii 2013 (Act 87), was to:

3 (1) Remove the University of Hawaii president's full
4 authority to act as chief procurement officer for the
5 university for all procurement contracts under chapter
6 103D, Hawaii Revised Statutes;

7 (2) Transfer authority to the administrator of the state
8 procurement office to act as chief procurement officer
9 with respect to university construction contracts and
10 university professional services contracts relating to
11 construction; and

12 (3) Address concerns about the prudent and transparent
13 management of public funds appropriated by the
14 legislature and expended by the university for
15 construction.

16 Act 87 resulted in a bifurcated procurement system at the
17 university wherein a different set of rules and procedures



1 applied depending on whether the procurement involved
2 construction or construction related professional services for
3 university construction projects. Procurements for construction
4 or professional services furnished by licensees under
5 chapter 464, Hawaii Revised Statutes, were required to comply
6 with the Hawaii public procurement code and procedures governing
7 state executive branch agencies, while procurements for goods
8 and services were required to comply with the Hawaii public
9 procurement code and university executive and administrative
10 procedures governing university transactions.

11 Furthermore, in January 2016, the state procurement office
12 issued its report to the legislature as required under Act 87,
13 which documented the extensive oversight, reviews, and
14 coordination between the university and the state procurement
15 office on procurements involving construction and professional
16 services related to construction. The conclusion of the state
17 procurement office in the report was: "Based on SPO's review of
18 102 UH construction solicitations, UH's Administrative
19 Procedures, and fourteen (14) post-award Site Visits, SPO finds
20 that UH is conducting construction procurements in a compliant,
21 efficient, and transparent manner."



1 The legislature further finds that Act 42, Session Laws of
2 Hawaii 2018 (Act 42), was enacted to recognize that the
3 university made significant changes to its policies and
4 procedures, including engaging in some of what the state
5 procurement office refers to as "best-practices", and thus
6 established a trial-period during which the university, through
7 the university president, was given the opportunity to again be
8 fully in control of its own procurement. Act 42 is set to
9 sunset on June 30, 2021.

10 The purpose of this Act is to extend for three years, the
11 sunset provision in Act 42 to allow the university president to
12 continue to act as the university's chief procurement officer
13 for all procurement contracts under chapter 103D, Hawaii Revised
14 Statutes.

15 SECTION 2. Act 42, Session Laws of Hawaii 2018, is amended
16 by amending section 6 to read as follows:

17 "SECTION 6. This Act shall take effect upon its approval;
18 provided that on June 30, [~~2021,~~] 2024, this Act shall be
19 repealed and sections 103D-203(a) and 304A-2672, Hawaii Revised
20 Statutes, shall be reenacted in the form in which they read on
21 the day prior to the effective date of this Act."



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

3 SECTION 4. This Act shall take effect on July 1, 2060.



Report Title:

University of Hawaii; Chief Procurement Officer

Description:

Extends the sunset provision in Act 42, Session Laws of Hawaii 2018 for three years until June 30, 2024. Effective 7/1/2060.
(SD1)

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