



**GOV. MSG. NO. 1411**

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 12, 2022

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirty-First State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirty-First State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 12, 2022, the following bill was signed into law:

SB3369 SD2 HD2 CD1

RELATING TO PROCUREMENT.  
**ACT 282**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

# A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1       SECTION 1. The legislature finds that procurement  
2 activities throughout the State may not be consistently  
3 compliant with chapters 103D (the Hawaii Public Procurement  
4 Code) and 103F (relating to purchases of health and human  
5 services), Hawaii Revised Statutes, and the administrative rules  
6 adopted pursuant to those chapters. Many purchasers conduct  
7 procurement activities as part of their "other duties as  
8 assigned" and have minimal training and experience in public  
9 procurement. This can lead to mistakes resulting in increased  
10 costs to the government. The legislature finds that this is  
11 particularly true for the department of education, given the  
12 fact that many administrators at the school level are tasked  
13 with using the Hawaii express procurement system for repair and  
14 maintenance in addition to their primary duties, straining their  
15 already limited time and resources.

16       Accordingly, the purpose of this Act is to:

17       (1) Establish a working group to develop a plan for the  
18       phased in consolidation of procurement services and



1 staff within executive branch agencies within a five-  
2 year timespan, excluding the Hawaii health systems  
3 corporation, University of Hawaii, and office of  
4 Hawaiian affairs;

5 (2) Require the working group to make recommendations for  
6 attracting high-quality procurement professionals to  
7 the State; and

8 (3) Appropriate funds to the state procurement office to  
9 support the activities of the working group.

10 SECTION 2. (a) There is established a procurement  
11 services consolidation working group, that shall:

12 (1) Develop a plan for a five-year phased in  
13 consolidation, under the state procurement office, of  
14 all state executive branch procurement services and  
15 staff, except the Hawaii health systems corporation,  
16 University of Hawaii, and office of Hawaiian affairs.

17 The plan shall include:

18 (A) An identification of the specific positions and  
19 functions to be transferred from each department  
20 to the state procurement office;



- 1 (B) Proposed dates of transfer for each position and  
2 function;
- 3 (C) Proposed procurement facility, personnel, and  
4 operational infrastructure needs of the  
5 consolidated procurement agency, with projections  
6 on future integration needs as additional  
7 agencies' procurement staff and services are  
8 added;
- 9 (D) Recommendations to enable the state procurement  
10 office to provide expert support to the  
11 procurement activities of all state agencies to  
12 meet the needs of the agencies and the public;  
13 and
- 14 (E) Recommendations to ensure that agency services  
15 are not interrupted during the consolidation; and
- 16 (2) Make recommendations to attract high-quality  
17 procurement professionals to the State, including the  
18 use of internships and the feasibility of exempting  
19 certain positions from the requirements of chapters 76  
20 and 89, Hawaii Revised Statutes.
- 21 (b) Members of the working group shall include:



1           (1) The administrator of the state procurement office, who  
2           shall serve as chairperson;

3           (2) The director or chairperson of each principal  
4           executive branch department, or designee, excepting  
5           the Hawaii health systems corporation, University of  
6           Hawaii, and office of Hawaiian affairs; and

7           (3) Any other person that the administrator of the state  
8           procurement office wishes to invite to serve on the  
9           working group.

10          (c) The working group shall be administratively attached  
11          to the department of accounting and general services. The state  
12          procurement office shall provide administrative support to the  
13          working group.

14          (d) The working group shall submit an interim report to  
15          the legislature, no later than twenty days prior to the  
16          convening of the regular session of 2023, and a final report of  
17          its findings and recommendations no later than twenty days prior  
18          to the convening of the regular session of 2024. The reports  
19          shall include:

20               (1) The plan for the phased in consolidation of state  
21               procurement services developed pursuant to subsection



- 1 (a)(1), including a detailed five-year phased in  
2 schedule;
- 3 (2) Recommendations to attract high-quality procurement  
4 professionals to the State;
- 5 (3) Plans for the development and implementation of a  
6 multi-tiered certified training program to ensure that  
7 all procurement staff take necessary training to  
8 conduct procurement correctly;
- 9 (4) Plans for the implementation of an integrated  
10 accounting and procurement automation system; and
- 11 (5) Any proposed legislation.
- 12 (e) The working group shall dissolve on June 30, 2024.

13 SECTION 3. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$250,000 or so much  
15 thereof as may be necessary for fiscal year 2022-2023 for the  
16 state procurement office to support the activities of the  
17 procurement services consolidation working group.

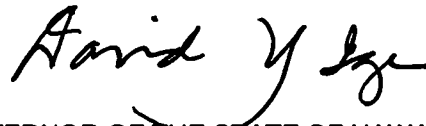
18 The sum appropriated shall be expended by the state  
19 procurement office for the purposes of this Act.

20 SECTION 4. This Act shall take effect on July 1, 2022.



S.B. NO. 3369  
S.D. 2  
H.D. 2  
C.D. 1

APPROVED this 12th day of July, 2022

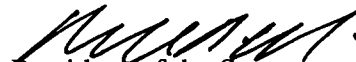
A handwritten signature in black ink, reading "David Ige". The signature is fluid and cursive, with the first name "David" and last name "Ige" clearly distinguishable.


GOVERNOR OF THE STATE OF HAWAII

**THE SENATE OF THE STATE OF HAWAI‘I**

Date: May 3, 2022  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate  
of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2022.

  
President of the Senate

  
Clerk of the Senate



SB No. 3369, SD 2, HD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 3, 2022  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives