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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 103F-202, Hawaii Revised Statutes, is  
2 repealed.

3           ~~["§103F-202] Community council. (a) There is~~  
4 ~~established a community council on purchase of health and human~~  
5 ~~services. The community council shall be comprised of no more~~  
6 ~~than nine voting members, and one non-voting, ex-officio member~~  
7 ~~of the interagency committee on purchase of health or human~~  
8 ~~services designated by the majority of the members of the~~  
9 ~~committee. There shall be a member from each county, except the~~  
10 ~~county of Kalawao, and up to five members interested in health,~~  
11 ~~human services, employment, or the provision of services to~~  
12 ~~children and youth.~~

13           ~~(b) Voting members shall be appointed by the governor and~~  
14 ~~serve for four years. Each voting member shall serve until the~~  
15 ~~member's successor is appointed. Section 26-34 shall apply~~

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1 ~~insofar as it relates to the number of terms and consecutive~~  
2 ~~number of years a member may serve on the council.~~

3 ~~(c) Members shall serve without compensation, but shall be~~  
4 ~~reimbursed for actual expenses, including travel expenses,~~  
5 ~~necessary for the performance of their duties.~~

6 ~~(d) The community council shall advise the administrator~~  
7 ~~about or assist the administrator in:~~

8 ~~(1) Market or business conditions facing providers;~~

9 ~~(2) Securing input from providers to facilitate agency~~  
10 ~~decision-making to assess needs, plan, budget, and~~  
11 ~~purchase health and human services;~~

12 ~~(3) Facilitating provider participation in the process~~  
13 ~~used by state agencies to plan for and purchase health~~  
14 ~~and human services;~~

15 ~~(4) Establishing schedules for planning and purchasing~~  
16 ~~health and human services in relation to the annual~~  
17 ~~and biennial budget cycles;~~

18 ~~(5) Developing criteria to evaluate proposals to provide~~  
19 ~~health and human services, and for restrictive~~  
20 ~~purchases under section 103F-403; and~~

21 ~~(6) The needs of purchasing agencies and providers for~~



# H.B. NO. 882

**Report Title:**

Procurement; Community Council

**Description:**

Repeals the establishment of a community council on purchase of health and human services.

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

JUSTIFICATION SHEET

DEPARTMENT: Accounting and General Services.

TITLE: A BILL FOR AN ACT RELATING TO PROCUREMENT.

PURPOSE: To abolish the community council on purchase of health and human services.

MEANS: Repeal section 103F-202, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Chapter 103F, HRS, was enacted in 1997 to implement a procurement code for health and human services. The community council, established in 1999 under section 103F-202, HRS, provided input and assistance to the State procurement administrator to develop the rules, infrastructure and procedures for procuring health and human services. The community council is an advisory body with no voting rights. The community council was also valuable in assisting the development of the health and human services procurement conferences, held biennially.

Now, more than 20 years later, the focus of health and human service procurements has changed. The rules are well-established, and both providers and purchasing agencies are acclimated to the process.

Unfortunately, the economic downturn after the financial crisis in 2008 caused the cessation of health and human service procurement conferences, and while the economic picture has improved until very recently, lack of resources has precluded

consideration of resuming conferences in the near future.

The last meeting of the council was held on April 22, 2010. Thereafter, lack of quorum and lack of governor-appointed members prevented further meetings per statutory requirements. With the economic downturn at the time, potential members found that they could not spare the time away from their businesses. In a few cases, potential members served on other boards thereby prohibiting them from serving on the community council.

The community council is a select group of governor-appointed providers and may not be representative of the overall health and human service provider community. Chapter 103F, HRS, Purchases of Health and Human Services, is a single, standardized process for state agencies and providers to procure health and human services. It optimizes information sharing, planning, and service delivery efforts. The State procurement office (SPO) believes that State agencies and private providers communicating and working together in a dynamic paradigm, can refine and update procedures for planning, procuring, and contracting health and human services to meet today's needs.

Impact on the public: None.

Impact on the department and other agencies: None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED

AGENCIES:

All agencies procuring health and human services pursuant to chapter 103F, HRS.

EFFECTIVE DATE:

Upon approval.