

JAN 26 2022

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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. 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.

11           Accordingly, the purpose of this Act is to:

12           (1) Establish a working group to develop a plan for the  
13           phased consolidation of procurement services and staff  
14           within executive branch agencies within a five-year  
15           timespan, excluding the department of education,  
16           Hawaii health systems corporation, and university of  
17           Hawaii; and



1           (2) Appropriate moneys to the state procurement office to  
2           support the activities of the working group.

3           SECTION 2. (a) There is established a procurement  
4 services consolidation working group, which shall:

5           (1) Develop a plan for the phased consolidation of all  
6           state executive branch procurement services and staff  
7           within five years, except the department of education,  
8           Hawaii health systems corporation, and university of  
9           Hawaii, under the state procurement office. The plan  
10          shall include:

11          (A) An identification of the specific positions and  
12          functions to be transferred to the state  
13          procurement office from each department;

14          (B) Proposed dates of transfer for each position and  
15          function;

16          (C) Proposed procurement facility, personnel, and  
17          operational infrastructure needs of the  
18          consolidated procurement agency, with projections  
19          on future integration needs as additional  
20          agencies' procurement staff and services are  
21          added;



- 1 (D) Recommendations to enable the state procurement  
2 office to provide expert support to the  
3 procurement activities of all state agencies to  
4 meet the needs of the agencies and the public;  
5 and
- 6 (E) Recommendations to ensure that agency services  
7 are not interrupted during the consolidation; and
- 8 (2) Make recommendations to attract high quality  
9 procurement professionals to the State, including the  
10 use of internships and the feasibility of exempting  
11 certain positions from the requirements of chapters 76  
12 and 89, Hawaii Revised Statutes.
- 13 (b) Members of the working group shall include:
- 14 (1) The administrator of the state procurement office, who  
15 shall serve as chairperson;
- 16 (2) The head of each principal executive branch  
17 department, except the department of education and  
18 university of Hawaii, or that person's designee; and
- 19 (3) Any other person that the administrator of the state  
20 procurement office wishes to invite to serve on the  
21 working group.



1 (c) The working group shall be administratively attached  
2 to the department of accounting and general services. The state  
3 procurement office shall provide administrative support to the  
4 working group.

5 (d) No later than twenty days prior to the convening of  
6 the regular session of 2023, the working group shall submit to  
7 the legislature a report of its findings and recommendations,  
8 including:

- 9 (1) The plan for the phased consolidation of state  
10 procurement services developed pursuant to subsection  
11 (a)(1), including a detailed five-year phase-in  
12 schedule;
- 13 (2) Recommendations to attract high quality procurement  
14 professionals to the State; and
- 15 (3) Any proposed legislation.

16 (e) The working group shall dissolve on June 30, 2023.

17 SECTION 3. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$250,000 or so much  
19 thereof as may be necessary for fiscal year 2022-2023 for the  
20 state procurement office to support the activities of the



1 procurement services consolidation working group, including the  
2 hiring of staff and the creation of a phased consolidation plan.

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

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

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INTRODUCED BY: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "J. M. White", is written over a horizontal line. The signature is stylized and cursive.

# S.B. NO. 3369

**Report Title:**

Procurement; SPO; Phased Consolidation Plan; Working Group;  
Report; Appropriation

**Description:**

Establishes a procurement services consolidation working group, which shall develop a plan for the phased consolidation of all state executive branch procurement services and staff within five years, except those of the Department of Education, Hawaii Health Systems Corporation, and University of Hawaii, under the State Procurement Office. Requires the working group to recommend ways to attract high quality procurement professionals to the State. Appropriates moneys.

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

