
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



(a)(1), including a detailed five-year phased in
schedule;

(2) Recommendations to attract high-quality procurement
professionals to the State;

(3) Plans for the development and implementation of a
multi-tiered certified training program to ensure that
all procurement staff take necessary training to
conduct procurement correctly;

(4) Plans for the implementation of an integrated
accounting and procurement automation system; and

(5) Any proposed legislation.

(e) The working group shall dissolve on June 30, 2024.

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

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

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



Report Title:

Procurement; State Procurement Office; Phased Consolidation
Plan; Working Group; Report; Appropriation

Description:

Establishes a procurement services consolidation working group to develop a plan for the phased in consolidation, under the state procurement office, of all state executive branch procurement services and staff within five years, except those of the Hawaii Health Systems Corporation, University of Hawaii, and Office of Hawaiian Affairs. Requires the working group to recommend ways to attract high-quality procurement professionals to the State. Appropriates funds. (CD1)

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