
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 in consolidation of procurement services and
14 staff within executive branch agencies within a five-
15 year timespan, excluding the Hawaii health systems
16 corporation, University of Hawaii, and office of
17 Hawaiian affairs;



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

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

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

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

13 The plan shall include:

14 (A) An identification of the specific positions and
15 functions to be transferred from each department
16 to the state procurement office;

17 (B) Proposed dates of transfer for each position and
18 function;

19 (C) Proposed procurement facility, personnel, and
20 operational infrastructure needs of the
21 consolidated procurement agency, with projections



1 on future integration needs as additional
2 agencies' procurement staff and services are
3 added;

4 (D) Recommendations to enable the state procurement
5 office to provide expert support to the
6 procurement activities of all state agencies to
7 meet the needs of the agencies and the public;
8 and

9 (E) Recommendations to ensure that agency services
10 are not interrupted during the consolidation; and

11 (2) Make recommendations to attract high-quality
12 procurement professionals to the State, including the
13 use of internships and the feasibility of exempting
14 certain positions from the requirements of chapters 76
15 and 89, Hawaii Revised Statutes.

16 (b) Members of the working group shall include:

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

19 (2) The head of each principal executive branch
20 department, or that person's designee, excepting the



1 Hawaii health systems corporation, University of
2 Hawaii, and office of Hawaiian affairs; and
3 (3) Any other person that the administrator of the state
4 procurement office wishes to invite to serve on the
5 working group.
6 (c) The working group shall be administratively attached
7 to the department of accounting and general services. The state
8 procurement office shall provide administrative support to the
9 working group.
10 (d) The working group shall submit an interim report to
11 the legislature, no later than twenty days prior to the
12 convening of the regular session of 2023, and a final report of
13 its findings and recommendations no later than twenty days prior
14 to the convening of the regular session of 2024. The reports
15 shall include:
16 (1) The plan for the phased in consolidation of state
17 procurement services developed pursuant to subsection
18 (a) (1), including a detailed five-year phased in
19 schedule;
20 (2) Recommendations to attract high-quality procurement
21 professionals to the State; and



1 (3) Any proposed legislation.

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

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2022-2023 for
6 the state procurement office to support the activities of the
7 procurement services consolidation working group, including the
8 hiring of staff and the creation of a phased in consolidation
9 plan.

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

12 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

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

Description:

Establishes a procurement services consolidation working group, which shall develop a plan for the phased in consolidation, under the state procurement office, of all state executive branch procurement services and staff within 5 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. Effective 7/1/2050. (HD1)

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