
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 department of education,
16 Hawaii health systems corporation, University of
17 Hawaii, and office of Hawaiian affairs;



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

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

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

(1) Develop a plan for a five-year phased in consolidation, under the state procurement office, of all state executive branch procurement services and staff, except the department of education, Hawaii health systems corporation, University of Hawaii, and office of Hawaiian affairs. The plan shall include:

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

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

(C) Proposed procurement facility, personnel, and operational infrastructure needs of the 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 single executive or chairperson of the executive
20 board, as the case may be, of each principal executive
21 branch department, or that person's designee,



1 excepting the department of education, Hawaii health
2 systems corporation, University of Hawaii, and office
3 of Hawaiian affairs; and

4 (3) Any other person that the administrator of the state
5 procurement office wishes to invite to serve on the
6 working group.

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

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

17 (1) The plan for the phased in consolidation of state
18 procurement services developed pursuant to subsection
19 (a)(1), including a detailed five-year phased in
20 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 accounting-oriented, multi-module, data-based procurement automation system that integrates all procurement activities, including solicitation and contract management; 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 \$ 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, including the hiring of staff and the creation of a phased in consolidation plan.



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

3 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 five years, except those of the department of education, 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. (HD2)

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