

MAR 10 2023

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## SENATE RESOLUTION

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URGING THE PROCUREMENT POLICY BOARD TO AMEND AND CLARIFY THE ADMINISTRATIVE RULES RELATING TO SMALL PURCHASES TO ALLOW THE EXPENDITURES FOR GOODS, SERVICES, AND CONSTRUCTION WITH AN ESTIMATED TOTAL COST OF LESS THAN \$5,000 TO BE AWARDED IN ANY MANNER THAT THE PURCHASING AGENCY DEEMS PRACTICAL OR CONVENIENT.

1           WHEREAS, the Legislature enacted the Hawaii Public  
2 Procurement Code under chapter 103D, Hawaii Revised Statutes, in  
3 1993 to provide for fair and equitable treatment of all persons  
4 dealing with the procurement system; foster broad-based  
5 competition among vendors while ensuring accountability,  
6 transparency, fiscal responsibility, and efficiency in the  
7 procurement process; and increase confidence in the integrity of  
8 the system for expenditure of public funds; and  
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10           WHEREAS, the Hawaii Public Procurement Code authorizes the  
11 Procurement Policy Board to adopt administrative rules that  
12 govern the procurement, management, control, and disposal of any  
13 and all goods, services, and construction pursuant to section  
14 103D-202, Hawaii Revised Statutes; and  
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16           WHEREAS, under section 103D-305, Hawaii Revised Statutes,  
17 small purchase procurements of less than \$100,000 for goods or  
18 services or \$250,000 for construction are subject to rule-based  
19 small purchase procurement procedures and must be procured  
20 through an electronic system, while small purchase procurements  
21 of less than \$25,000 are exempt from the electronic system  
22 requirements and subject to administrative rules regarding  
23 minimum requirements for quotes; and  
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25           WHEREAS, under section 3-122-75, Hawaii Administrative  
26 Rules, the expenditures of goods, services, and construction  
27 with an estimated total cost of less than \$5,000 are subject to  
28 procedures established by the chief procurement officer of each  
29 purchasing agency; and  
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31           WHEREAS, to ensure fiscal responsibility and efficiency in  
32 the procurement process, the source selection methods for small



1 purchase procurements of less than \$5,000 should be determined  
2 in a manner that is deemed practical or convenient by the  
3 purchasing agency; now, therefore,  
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5 BE IT RESOLVED by the Senate of the Thirty-second  
6 Legislature of the State of Hawaii, Regular Session of 2023,  
7 that the Procurement Policy Board is urged to amend and clarify  
8 the administrative rules relating to small purchases to allow  
9 the expenditures for goods, services, and construction with an  
10 estimated total cost of less than \$5,000 to be awarded in any  
11 manner that the purchasing agency deems practical or convenient;  
12 and  
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14 BE IT FURTHER RESOLVED that the Procurement Policy Board is  
15 requested to issue interim rules by procurement directives to  
16 allow expenditures for goods, services, and construction with an  
17 estimated total cost of less than \$5,000 to be awarded in any  
18 manner that the purchasing agency deems practical or convenient;  
19 and  
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21 BE IT FURTHER RESOLVED that the Procurement Policy Board is  
22 requested to audit and monitor the implementation of this  
23 administrative rule change pursuant to section 103D-202, Hawaii  
24 Revised Statutes, and to submit a report of its findings and  
25 recommendations, including any proposed legislation, to the  
26 Legislature no later than twenty days prior to the convening of  
27 the Regular Session of 2024; and  
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29 BE IT FURTHER RESOLVED that a certified copy of this  
30 Resolution be transmitted to the Chairperson of the Procurement  
31 Policy Board.  
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OFFERED BY: \_\_\_\_\_

