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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. Section 103D-102, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) This chapter shall apply to all procurement contracts  
4 made by governmental bodies whether the consideration for the  
5 contract is cash, revenues, realizations, receipts, or earnings,  
6 any of which the State receives or is owed; in-kind benefits; or  
7 forbearance; provided that nothing in this chapter or rules  
8 adopted hereunder shall prevent any governmental body from  
9 complying with the terms and conditions of any other grant,  
10 gift, bequest, or cooperative agreement[-]; provided further  
11 that this chapter shall not apply to project management."

12 SECTION 2. Section 103D-104, Hawaii Revised Statutes, is  
13 amended by adding a new definition to be appropriately inserted  
14 and to read as follows:

15 "Project management" means a professional service  
16 performed by a nongovernmental third-party for a project,  
17 including drafting plans and designs for a project and managing



1 a project's schedule, cost, quality, safety, scope, and  
2 function, and ensuring that the project is completed on time and  
3 within budget."

4 SECTION 3. Section 103D-405, Hawaii Revised Statutes, is  
5 amended by amending subsection (d) to read as follows:

6 "(d) Outside contractors may be utilized to prepare  
7 specifications and work statements in the development of a  
8 solicitation. Contractors paid for those services shall be  
9 precluded from bidding on or receiving a contract when they  
10 participated [~~in any way~~] in the development of the solicitation  
11 package or any resulting contract~~[-]~~; provided that an outside  
12 contractor who has been paid to prepare specifications and work  
13 statements in the development of a solicitation may bid on or  
14 receive a contract after they participated in the development of  
15 the solicitation package for the resulting contract if:

- 16 (1) The purchasing agency is the department of  
17 transportation or a subdivision or an agency  
18 department of transportation;
- 19 (2) The chief procurement officer of the department of  
20 transportation determines in writing that a waiver  
21 authorizing the outside contractor to bid on or



1 receive a contract is in the best interest of the  
2 State; and

3 (3) The solicitation package requires a procurement method  
4 that is allowable under federal statute; federal  
5 regulation; federal special experimental,  
6 demonstration project; or a federal approval of the  
7 procurement method."

8 SECTION 4. No later than thirty days after the first year  
9 of implementation of this Act, the department of transportation  
10 shall submit a report to the legislature. The report shall  
11 contain:

12 (1) A summary of the application of this Act to  
13 procurements;

14 (2) An explanation of the benefits of this Act to the  
15 State;

16 (3) A recommendation of whether the amendments made by  
17 this Act should be made permanent, amended, or  
18 repealed; and

19 (4) Any other findings and recommendations deemed relevant  
20 by the department of transportation, including any  
21 proposed legislation.



1 SECTION 5. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect on July 1, 3000, and  
4 shall be repealed on June 30, 2027; provided that the underlying  
5 provisions of sections 103D-102(a), 103D-104, and 103D-405(d),  
6 Hawaii Revised Statutes, shall be reenacted in the form in which  
7 they read on the day prior to the effective date of this Act.



**Report Title:**

Procurement; Exemptions; Department of Transportation; Project Management; Government Bodies; Construction Projects

**Description:**

Temporarily exempts project management from procurement. Temporarily authorizes outside contractors who prepared specifications and work statements in the development of a Department of Transportation solicitation to bid on those projects if certain requirements are satisfied. Requires a report by the Department of Transportation. Effective 7/1/3000. Sunsets 6/30/2027. (SD1)

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