
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 103D, Hawaii Revised Statutes, is
2 amended by adding a new section to part I to be appropriately
3 designated and to read as follows:

4 "§103D- Project management services; authorization.

5 (a) Notwithstanding any law to the contrary, governmental
6 bodies and public employees may procure project management
7 services through non-governmental third-party contracts;
8 provided that:

9 (1) All governmental agencies shall retain ultimate and
10 final authority and accountability for project
11 management as an inherently governmental
12 responsibility;

13 (2) Oversight of each project management contract shall be
14 performed by a designated public employee. Oversight
15 shall include but not be limited to monitoring
16 performance, approving government documents,



1 negotiating cost and pricing, and awarding, modifying,
2 and terminating contracts; and

3 (3) Third-party project management services may provide
4 advisory, technical, or administrative support but
5 shall not exercise decision-making authority or
6 supervise public employees.

7 (b) Oversight of third-party contracts shall remain an
8 inherently governmental and nondelegable responsibility of the
9 state agency, which shall retain ultimate authority,
10 accountability, and decision-making over contract performance."

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

14 "Project management" means a professional service that
15 manages a project's schedule, cost, quality, safety, scope, and
16 function, and ensures that the project is completed on time and
17 within budget."

18 SECTION 3. Section 103D-326, Hawaii Revised Statutes, is
19 amended to read as follows:

20 **"[+]§103D-326[+] Fiscal responsibility.** Every contract
21 modification, budget transfer, change order, or contract price



1 adjustment under a contract shall be subject to prior written
2 certification by the appropriate fiscal officer for funding the
3 project or the contract, as to the effect of the contract
4 modification, budget transfer, change order, or adjustment in
5 contract price on the total project budget or the total contract
6 budget. In the event that the certification of the fiscal
7 officer discloses a resulting increase in the total project
8 budget or the total contract budget, the procurement officer
9 shall not execute or make such contract modification, budget
10 transfer, change order, or adjustment in contract price unless
11 sufficient funds are available therefor, or the scope of the
12 project or contract is adjusted [~~so as~~] to permit the degree of
13 completion that is feasible within the total project budget or
14 total contract budget as it existed [~~prior to~~] before the
15 contract modification, budget transfer, change order, or
16 adjustment in contract price under consideration; provided[~~7~~]
17 that, with respect to the validity, as to the contractor, of any
18 executed contract modification, budget transfer, change order,
19 or adjustment in contract price which the contractor has
20 reasonably relied upon, it shall be presumed that there has been
21 compliance with this section."



1 SECTION 4. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so much
3 thereof as may be necessary for fiscal year 2026-2027 to
4 establish a special project branch within the public works
5 division of the department of accounting and general services,
6 including three full-time equivalent (3.0 FTE) permanent
7 positions, to provide specialized expertise and staff resources
8 that support the division's implementation of certain complex,
9 high-profile capital improvement program projects using
10 innovative, non-traditional delivery methods.

11 The sum appropriated shall be expended by the department of
12 accounting and general services for the purposes of this Act.

13 SECTION 5. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

DAGS; Procurement; Project Management Services; Budget Transfers; Certification; Fiscal Officers; Public Works Division; Special Project Branch; Positions; Appropriation

Description:

Authorizes governmental bodies and public employees to procure project management services through non-governmental third-party contracts under certain conditions. Appropriates funds to establish a Special Project Branch within the Public Works Division of the Department of Accounting and General Services. Effective 7/1/3000. (HD1)

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