

# S.B. NO. 2763

JAN 25 2010

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## A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. Section 304A-105, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) The board of regents shall develop internal policies  
4 and procedures for the procurement of goods, services, and  
5 construction, consistent with the goals of public accountability  
6 and public procurement practices, but without being subject to  
7 chapter 103D. Notwithstanding any other law to the contrary,  
8 chapter 103D shall not be applicable to any actions or  
9 activities undertaken, conducted, or performed under authority  
10 of the board of regents or the university. Where possible,  
11 however, the board is encouraged to use the provisions of  
12 chapter 103D as guidelines; provided that in using one or more  
13 provisions of chapter 103D as guidelines, neither the board nor  
14 the university shall be:

15 (1) Deemed to have waived in any way the exemption from  
16 the requirements and applicability of chapter 103D  
17 granted herein to the board and the university or

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1        (2) Subject to any of the provisions or requirements of  
2                chapter 103D."

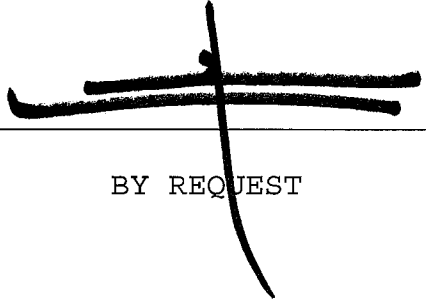
3        SECTION 2. New statutory material is underscored.

4        SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

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7

BY REQUEST

**Report Title:**

University of Hawaii; Procurement

**Description:**

Exempts the University of Hawaii from Hawaii Public Procurement Code requirements.

JUSTIFICATION SHEET

DEPARTMENT: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII.

PURPOSE: To exempt the University of Hawaii (University) from the requirements and provisions of chapter 103D, Hawaii Revised Statutes (HRS).

MEANS: Amend section 304A-105(b), HRS.

JUSTIFICATION: This bill would reinstate the authority of the University to develop procurement policies and procedures that are not subject to chapter 103D, HRS (Hawaii Public Procurement Code), which authority had been previously conferred upon the University by Act 115, Session Laws of Hawaii 1998 (Act 115). Act 115 amended various statutes pertaining to the University for the purpose of granting increased authority to the University over the management of the University's real and personal property.

Act 115 largely resulted from the recommendations of an economic revitalization task force convened by the then Governor, President of the Senate, and Speaker of the House. The task force concluded that the University should be provided greater autonomy over its affairs, including the delegation of increased decision-making authority and responsibility.

The state procurement code exemption that was thereafter granted to the University was consistent with the findings and recommendations of the task force.

Act 216, Session Laws of Hawaii 2004, effective as of January 1, 2005 (Act 216), repealed various statutory exemptions to the

State procurement code, including the University's exemption. (See HRS section 304-4, as recodified in 2006 to HRS section 304A-105).

The proposed bill would restore to the University this statutory exemption from the state procurement code that had been eliminated by Act 216. Under the proposed bill, the University would again be afforded the managerial flexibility to develop procurement policies and procedures that are not subject to the state procurement code in order to meet the specific needs and operational requirements of the University.

Impact on the public: None.

Impact on the department and other agencies:  
None.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: 07 03 06  
UOH-900

OTHER AFFECTED  
AGENCIES: Department of Accounting and General  
Services, Department of Commerce and  
Consumer Affairs

EFFECTIVE DATE: Upon approval.