
SENATE CONCURRENT RESOLUTION

REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY
THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT
WOULD INCREASE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND
IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS
CONSTRUCTION PROJECTS.

1 WHEREAS, chapter 103D, Hawaii Revised Statutes, governs the
2 procurement of goods, services, or construction by state and
3 county agencies; and
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5 WHEREAS, pursuant to chapters 103D and 103F, Hawaii Revised
6 Statutes, the mission of the State Procurement Office is to
7 promote economy, efficiency, effectiveness, and impartiality in
8 procurement for state and county governments through
9 development, implementation, and maintenance of policies and
10 procedures that provide for broad-based competition,
11 accessibility to government contracts, fiscal integrity, and
12 responsibility in the procurement process, and to promote
13 efficiency, effectiveness, and stewardship in inventory
14 management and surplus property management in an open, fair, and
15 transparent process; and
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17 WHEREAS, the State Procurement Office adopts rules to
18 implement the procurement law for all state and county agencies;
19 provides coordination, review, analysis, implementation, and
20 oversight services for various procurement projects; and
21 provides training to ensure compliance with procurement laws;
22 and
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24 WHEREAS, chapter 103D, Hawaii Revised Statutes, was based
25 on the framework provided by the American Bar Association's
26 Model Procurement Code for State and Local Governments and was
27 enacted to increase competition, ensure fairness, and establish
28 greater uniformity in the public procurement of goods and
29 services; and



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WHEREAS, the state procurement code has been amended more than forty times since its enactment in 1993, and the numerous statutory changes have resulted in increased complexity in the procurement process; and

WHEREAS, in an effort to promote economy, efficiency, effectiveness, and impartiality in public procurement, it is important to identify factors that may cause delays in the procurement process, including unnecessary bid preferences, bid protests, and increased contract prices for public works construction projects; and

WHEREAS, the State currently recognizes various specialty contractor licenses that a bidder must review to determine whether a particular subcontractor specialty must be listed on a bid; and

WHEREAS, many recent bid protests have arisen due to a variety of issues, resulting in major delays and cost increases on public works construction projects; and

WHEREAS, Act 173, Session Laws of Hawaii 2012, requires the State Procurement Office to maintain statistics on solicitations and awards protested under section 103D-701, Hawaii Revised Statutes, for the purpose of improving procurement procedures; and

WHEREAS, it is important to continue to gather past bid protest data and study bid protest outcomes to further determine if costs have increased solely due to bid protests in public works construction projects; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-seventh Legislature of the State of Hawaii, Regular Session of 2013, the House of Representatives concurring, that the Comptroller is requested to establish a task force to study the cost impacts that the procurement process has had for public works construction projects as well as the existing bid preferences in relation to promoting economy, efficiency, effectiveness, and impartiality in procurement for state and county governments; and

1 BE IT FURTHER RESOLVED that the Comptroller, or the
2 Comptroller's designee, is requested to serve as chair of the
3 task force; and
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5 BE IT FURTHER RESOLVED that the Comptroller is requested to
6 solicit representatives from the following entities to serve on
7 the task force, provided that those persons designated shall be
8 knowledgeable of procurement procedures and issues within their
9 respective organizations:

- 10 (1) The State Procurement Office;
- 11 (2) The University of Hawaii;
- 12 (3) The Department of Education;
- 13 (4) The Office of Hawaiian Affairs;
- 14 (5) The Department of Transportation;
- 15 (6) A county procurement department;
- 16 (7) A county board or department of water supply;
- 17 (8) The semi-autonomous public transit agency of the City
18 and County of Honolulu;
- 19 (9) The Subcontractors Association of Hawaii;
- 20 (10) The General Contractors Association of Hawaii;
- 21 (11) The Hawaii Building and Construction Trades Council,
22 AFL-CIO; and
- 23 (12) The Hawaii Construction Alliance; and

24 BE IT FURTHER RESOLVED that the task force is requested to:

- 25 (1) Identify and propose amendments, if any, to the state
26 procurement code that may better promote economy,
27 efficiency, effectiveness, and impartiality in the
28 procurement of public works construction projects,
29 including but not limited to a review of all bid
30 preferences on public works projects; and
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2 (2) Solicit input from the construction industry and
3 determine whether administrative rules governing
4 contractors reflect the intent of the Legislature and
5 chapter 103D, Hawaii Revised Statutes; and
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7 BE IT FURTHER RESOLVED that members of the task force are
8 requested to serve without compensation; and
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10 BE IT FURTHER RESOLVED that the task force is requested to
11 submit its findings and recommendations, including any proposed
12 legislation, to the Legislature no later than twenty days prior
13 to the convening of the Regular Session of 2015; and
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15 BE IT FURTHER RESOLVED that the Legislative Reference
16 Bureau is requested to assist the task force in drafting
17 proposed legislation; provided that the task force submits its
18 request for proposed legislation, if any, to the Legislative
19 Reference Bureau no later than November 1, 2014; and
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21 BE IT FURTHER RESOLVED that the task force shall be
22 dissolved on June 30, 2015; and
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24 BE IT FURTHER RESOLVED that certified copies of this
25 Concurrent Resolution be transmitted to the Governor; President
26 of the Senate; Speaker of the House of Representatives; Attorney
27 General; Comptroller; Chief Procurement Officer; Director of
28 Transportation; Superintendent of Education; Administrator of
29 the Office of Hawaiian Affairs; President of the University of
30 Hawaii System; Acting Director of the Legislative Reference
31 Bureau; the Mayor of each county; the board or department of
32 water supply of each county; Executive Director of the
33 Subcontractors Association of Hawaii; Executive Director of the
34 General Contractors Association of Hawaii, Executive Director of
35 the Hawaii Building and Construction Trades Council, AFL-CIO;
36 and Executive Director of the Hawaii Construction Alliance.
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