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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. The legislature finds that during challenging  
2 economic times, it is necessary for the State to investigate and  
3 employ new and innovative ways of maintaining and improving  
4 state services and infrastructure, while ensuring the prudent  
5 and cost-effective expenditure of public moneys. As such, the  
6 process of the acquisition of goods and services must be agile  
7 to accommodate circumstances where other than full competition  
8 is necessary to address a unique need, such as developing a  
9 flexible local food purchasing structure or private public  
10 partnerships.

11           The purpose of this Act is to provide the State with  
12 greater flexibility in the procurement of certain goods and  
13 services, to improve the State's responsiveness to addressing  
14 unique or unusual needs or situations for the benefit of the  
15 people of this state, while maintaining the accountability and  
16 transparency afforded by the State Procurement Code.



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

4 "§103D- Special innovative procurement. (a) Contracts  
5 for supplies, services, professional services, or construction  
6 may be awarded without regard to sections 103D-302 or 103D-303  
7 using a special innovative procurement process in accordance  
8 with this section and procedures set forth in rules adopted by  
9 the procurement policy board. The special innovative  
10 procurement process authorized by this section shall only be  
11 used when the chief procurement officer determines in writing  
12 that it is advantageous to the State to use the process for  
13 procurement of new or unique requirements of the State, new  
14 technologies, or to achieve best value.

15 (b) The chief procurement officer shall submit any  
16 procurement plan developed pursuant to this section to the  
17 attorney general for review and approval as to form before  
18 issuing the notice required under subsection (c).

19 (c) Notice of the invitation for bids shall be given in  
20 the same manner as provided in section 103D-302(c).



1        (d) Nothing in this section shall preclude the adoption of  
2 rules providing for the use of bonuses instead of preferences in  
3 a procurement of construction.

4        (e) A written determination of the basis for the  
5 procurement and for the selection of the particular contractor  
6 shall be included by the head of the purchasing agency in the  
7 contract file, and a report shall be made publicly available by  
8 the chief procurement officer at least annually describing all  
9 determinations made since the last annual report."

10        SECTION 3. Section 103D-301, Hawaii Revised Statutes, is  
11 amended to read as follows:

12        "**§103D-301 Methods of source selection.** Unless otherwise  
13 authorized by law, all contracts shall be awarded pursuant to  
14 the following sections, as applicable:

- 15        (1) Section 103D-302 (Competitive sealed bids);  
16        (2) Section 103D-303 (Competitive sealed proposals);  
17        (3) Section 103D-304 (Professional services procurement);  
18        (4) Section 103D-305 (Small purchases);  
19        (5) Section 103D-306 (Sole source procurement); [~~and~~]  
20        (6) Section 103D-307 (Emergency procurements) [-]; and  
21        (7) Section 103D- (Special innovative procurement)."



1 SECTION 4. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

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

6 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

*[Handwritten signatures and names]*

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Sam W. Gray

Tommy

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JAN 27 2015



# H.B. NO. 1028

**Report Title:**

Procurement Code; Special Innovative Procurement

**Description:**

Provides for the establishment of a special innovative procurement process for the procurement of supplies, services, professional services, or construction. Requires the establishment of procedures by the procurement policy board for use of the special innovative procurement process.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

