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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 procurement  
2 activities throughout the State may not be consistently  
3 compliant with chapters 103D (the Hawaii Public Procurement  
4 Code) and 103F (relating to purchases of health and human  
5 services), Hawaii Revised Statutes, and the administrative rules  
6 adopted pursuant to those chapters. Many purchasers conduct  
7 procurement activities as part of their "other duties as  
8 assigned" and have minimal training and experience in public  
9 procurement. This can lead to mistakes resulting in increased  
10 costs to the government.

11       Accordingly, the purpose of this Act is to:

- 12       (1) Establish a working group to develop a plan for the  
13           phased consolidation of procurement services and staff  
14           within executive branch agencies within a five-year  
15           timespan, excluding the department of education,  
16           Hawaii health systems corporation, University of  
17           Hawaii, and office of Hawaiian affairs; and



1           (2)   Appropriate moneys to the state procurement office to  
2               support the activities of the working group.

3           SECTION 2.   (a)   There is established a procurement  
4   services consolidation working group, which shall:

5           (1)   Develop a plan for the phased consolidation of all  
6               state executive branch procurement services and staff  
7               within five years, except the department of education,  
8               Hawaii health systems corporation, University of  
9               Hawaii, and office of Hawaiian affairs, under the  
10              state procurement office.   The plan shall include:

11           (A)   An identification of the specific positions and  
12               functions to be transferred to the state  
13               procurement office from each department;

14           (B)   Proposed dates of transfer for each position and  
15               function;

16           (C)   Proposed procurement facility, personnel, and  
17               operational infrastructure needs of the  
18               consolidated procurement agency, with projections  
19               on future integration needs as additional  
20               agencies' procurement staff and services are  
21               added;



1 (D) Recommendations to enable the state procurement  
2 office to provide expert support to the  
3 procurement activities of all state agencies to  
4 meet the needs of the agencies and the public;  
5 and

6 (E) Recommendations to ensure that agency services  
7 are not interrupted during the consolidation; and

8 (2) Make recommendations to attract high quality  
9 procurement professionals to the State, including the  
10 use of internships and the feasibility of exempting  
11 certain positions from the requirements of chapters 76  
12 and 89, Hawaii Revised Statutes.

13 (b) Members of the working group shall include:

14 (1) The administrator of the state procurement office, who  
15 shall serve as chairperson;

16 (2) The head of each principal executive branch  
17 department, or that person's designee, excepting the  
18 department of education, Hawaii health systems  
19 corporation, University of Hawaii, and office of  
20 Hawaiian affairs; and



1           (3) Any other person that the administrator of the state  
2           procurement office wishes to invite to serve on the  
3           working group.

4           (c) The working group shall be administratively attached  
5           to the department of accounting and general services. The state  
6           procurement office shall provide administrative support to the  
7           working group.

8           (d) The working group shall submit an interim report to  
9           the legislature no later than twenty days prior to the convening  
10          of the regular session of 2023, and a final report of its  
11          findings and recommendations no later than twenty days prior to  
12          the convening of the regular session of 2024. The reports shall  
13          include:

14          (1) The plan for the phased consolidation of state  
15          procurement services developed pursuant to subsection

16               (a)(1), including a detailed five-year phase-in  
17          schedule;

18          (2) Recommendations to attract high quality procurement  
19          professionals to the State; and

20          (3) Any proposed legislation.

21          (e) The working group shall dissolve on June 30, 2024.



1       SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$250,000 or so much  
3 thereof as may be necessary for fiscal year 2022-2023 for the  
4 state procurement office to support the activities of the  
5 procurement services consolidation working group, including the  
6 hiring of staff and the creation of a phased consolidation plan.

7       The sum appropriated shall be expended by the state  
8 procurement office for the purposes of this Act.

9       SECTION 4. This Act shall take effect on July 1, 2022.



**Report Title:**

Procurement; State Procurement Office; Phased Consolidation Plan; Working Group; Report; Appropriation

**Description:**

Establishes a Procurement Services Consolidation Working Group, which shall develop a plan for the phased consolidation of all state executive branch procurement services and staff within five years, except those of the Department of Education, Hawaii Health Systems Corporation, University of Hawaii, and Office of Hawaiian Affairs under the State Procurement Office. Requires the working group to recommend ways to attract high quality procurement professionals to the State. Appropriates moneys.  
(SD1)

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

