

JAN 24 2024

A BILL FOR AN ACT

RELATING TO PROCUREMENT FOR THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. The legislature finds that Act 87, Session Laws
2 of Hawaii 2013, was enacted to: (1) remove the university
3 president's full authority to act as chief procurement officer
4 for the university for all procurement contracts under chapter
5 103D, Hawaii Revised Statutes, (2) transfer authority to the
6 administrator of the state procurement office to act as chief
7 procurement officer with respect to university construction
8 contracts and university professional services contracts
9 relating to construction, and (3) address concerns about the
10 prudent and transparent management of public funds appropriated
11 by the legislature and expended by the university for
12 construction. Following its enactment, Act 87 resulted in a
13 bifurcated procurement system at the university wherein a
14 different set of rules and procedures applied depending on
15 whether the procurement involved construction or construction
16 related professional services for university construction
17 projects. Requirements for construction or professional
18 services furnished by licensees under chapter 464, Hawaii

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1 Revised Statutes, had to comply with the Hawaii public
2 procurement code and procedures governing state executive branch
3 agencies, while requirements for goods and services had to
4 comply with the Hawaii public procurement code and university
5 executive and administrative procedures governing university
6 transactions.

7 In January 2016, the state procurement office issued its
8 report to the legislature as required under Act 87, which
9 documented the extensive oversight, reviews, and coordination
10 between the university and the state procurement office on
11 procurements involving construction and professional services
12 related to construction. The conclusion of the state
13 procurement office in the report was that "based on SPO's review
14 of 102 UH construction solicitations, UH's Administrative
15 Procedures, and 14 post-award Site Visits, SPO finds that UH is
16 conducting construction procurements in a compliant, efficient
17 and transparent manner." In the report, the state procurement
18 office further set forth minimal recommendations for improvement
19 and mentioned several university specific procedures as "best-
20 practices."

21 Act 42, Session Laws of Hawaii 2018, reinstated and
22 restored full authority to the university president to act as

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1 the university's chief procurement officer for all procurement
2 contracts under chapter 103D, Hawaii Revised Statutes. Act 42
3 also included a repeal and reenactment date of June 30, 2021.
4 Following the conclusion of the 2021 regular session, the
5 legislature found that on June 30, 2021, the provisions of Act
6 42, Session Laws of Hawaii 2018, were repealed. During the 2021
7 first special session, the legislature passed Act 8, Special
8 Session Laws of Hawaii 2021, which temporarily reenacted
9 provisions amended by Act 42, Session Laws of Hawaii 2018, for
10 the purpose of extending, for three years, the authority of the
11 president of the University of Hawaii to act as the University
12 of Hawaii's chief procurement officer for all procurement
13 contracts under chapter 103D, Hawaii Revised Statutes.

14 The purpose of this Act is to remove the repeal and
15 reenactment in Act 8, Special Session Laws of Hawaii 2021, to
16 maintain the authority of the president of the university of
17 Hawaii to act as the university of Hawaii's chief procurement
18 officer for all procurement contracts under chapter 103D.

19 SECTION 2. Act 8, Special Session Laws of Hawaii 2021, is
20 amended by amending section 16 to read as follows:

21 "SECTION 16. This Act shall take effect upon its approval;
22 provided that:


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1 (1) Parts IV and V of this Act shall apply retroactively
2 to any actions taken after June 30, 2021, by the
3 University of Hawaii pursuant to the sections of law
4 amended by those parts; and

5 (2) Section 10 shall be repealed on June 30, 2024 [~~and~~
6 ~~(3) Sections 12, 13, and 14 shall be repealed on June 30,~~
7 ~~2024, and sections 103D-203(a) and 304A-2672, Hawaii~~
8 ~~Revised Statutes, shall be reenacted in the form in~~
9 ~~which they read on June 11, 2018]."~~

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act, upon its approval, shall take effect
13 on June 29, 2024.

14
15 INTRODUCED BY: 

16 BY REQUEST

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Report Title:

University of Hawaii; Procurement

Description:

Removes the repeal and reenactment in Act 8, Special Session Laws of Hawaii 2021, to maintain the authority of the President of the University of Hawaii to act as the University of Hawaii's chief procurement officer.

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

JUSTIFICATION SHEET

SB. NO. 3188

DEPARTMENT: University of Hawaii

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

PURPOSE: To maintain the authority of the President of the University of Hawaii to act as the University of Hawaii's chief procurement officer for all procurement contracts under chapter 103D, Hawaii Revised Statutes.

MEANS: Amend section 16 of Act 8, Special Session Laws of Hawaii 2021.

JUSTIFICATION: Act 42, Session Laws of Hawaii 2018, reinstated and restored full authority to the University President to act as the University's chief procurement officer for all procurement contracts under chapter 103D, Hawaii Revised Statutes, however, Act 42 also included a repeal and reenactment date of June 30, 2021.

Following the conclusion of the 2021 regular session, the Legislature found that on June 30, 2021, the provisions of Act 42 were repealed. During the 2021 first special session, the Legislature passed Act 8, Special Session Laws of Hawaii 2021, which temporarily reenacted provisions amended by Act 42 for the purpose of extending, for three years, the authority of the President of the University of Hawaii to act as the University of Hawaii's chief procurement officer for all procurement contracts under chapter 103D, Hawaii Revised Statutes. This provision in Act 8 is set to be repealed on June 30, 2024.

Impact on the public: There would be no impact to the public as it will be a continuation of current procurement practices.

Impact on the department and other agencies:
This will result in a positive impact on University departments and agencies by continuing the streamlining of all procurement activities. If this bill were not to pass, departments and agencies would be faced with the burden of operating in two different systems with differing sets of forms and templates associated with chief procurement officer approval actions. Aggregating all chief procurement officer functions for the University under a sole chief procurement officer eases the administrative burden not only on the University but also on the State Procurement Office.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: UOH-900.

OTHER AFFECTED
AGENCIES: Department of Accounting and General Services, State Procurement Office.

EFFECTIVE DATE: June 29, 2024.