

## ACT 173

S.B. NO. 2383

A Bill for an Act Relating to the State Procurement Policy Board.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that boards and commissions provide an opportunity for citizens to have a voice in government and provide a means to influence decisions that shape the quality of life for the residents of the State. However, vacancies on these boards and commissions pose challenges for some agencies in fulfilling their duties. Furthermore, the legislature also finds that the size of some of these boards has presented a challenge with obtaining the necessary quorum, which is further compounded by member vacancies.

The legislature further finds that the state procurement policy board is one example where vacancies and the size of the board are hampering state processes. The board was formed to adopt, amend, or repeal administrative rules to carry out and effectuate the purpose and provisions of the Hawaii public procurement code, which governs the State's procurement, management, control, and disposal of any and all goods, services, and construction, and the law governing the State's purchase of health and human services. Other duties of the board are to consider and decide matters of policy, including those referred by a chief procurement officer; audit and monitor the implementation of its rules and the requirements of applicable statutes; and consider applicants for the position of the state procurement administrator. Unfortunately, because of vacancies on the board, vital tasks are left pending.

The legislature further finds that the term "significant" utilized in the existing law may not reflect the minimum requisite number of years of high-level experience needed and therefore should be enumerated explicitly within statute.

The legislature also finds that there is a need to ensure that this board also has representation with high-level county procurement experience as well

as a member who is particularly versed in construction procurement, since the comptroller or other members may not have that type of needed experience.

The purpose of this Act is to:

- (1) Decrease the number of members on the state procurement policy board from seven to five;
- (2) Amend the appointment and experience requirements for members of the state procurement policy board; and
- (3) Repeal the state procurement policy board nominating committee.

SECTION 2. Section 103D-201, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The policy board shall consist of ~~[seven]~~ five members. Notwithstanding the limitations of section 78-4, the members of the board shall include:

- (1) The comptroller;
- ~~[(2) A county employee with significant high-level procurement experience; and~~
- ~~(3) Five persons who shall not otherwise be full-time employees of the State or any county;]~~
- (2) Two members appointed by the governor; provided that one member shall have five years of high-level construction procurement experience and one member shall have five years of high-level county procurement experience;
- (3) One member appointed by the president of the senate; provided that the member shall have five years of general procurement experience; and
- (4) One member appointed by the speaker of the house of representatives; provided that the member shall have five years of general procurement experience.

~~[provided that at least one member shall be a certified professional in the field of procurement, at least one member shall have significant high-level, federal procurement experience, and at least two members shall have significant experience in the field of health and human services.]~~ Each appointed member shall have demonstrated sufficient business or professional experience to discharge the functions of the policy board. ~~[The initial and subsequent members of the policy board, other than the comptroller, shall be appointed by the governor from a list of three individuals for each vacant position, submitted by a nominating committee composed of four individuals chosen as follows: two persons appointed by the governor; one person appointed by the president of the senate; and one person appointed by the speaker of the house.]~~ Except as provided in this section, ~~[the selection and terms of]~~ the policy board members shall be subject to the requirements of section 26-34. No member of the policy board shall act concurrently as a chief procurement officer. The members of the policy board shall devote such time to their duties as may be necessary for the proper discharge thereof.”

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

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

(Approved June 27, 2022.)