H.B. NO. 3204

A BILL FOR AN ACT

RELATING TO THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII.

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

SECTION 1. Section 304A-105, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The board of regents shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the goals of public accountability and public procurement practices, <u>but not</u> subject to chapter 103D. <u>Notwithstanding any other law to the contrary, chapter 103D shall not be applicable to procurement actions or activities undertaken, conducted, or performed under authority of the board of regents or the University of Hawaii. However, where possible, the board is encouraged to use the provisions of chapter 103D; provided that the use of one or more provisions of chapter 103D shall not constitute a waiver of the exemption of chapter 103D and shall not subject the board to any other provision of chapter 103D.</u>"

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

H.B. NO. 3204

INTRODUCED BY: Calvin K.Y. Say

BY REQUEST

JAN 22 2008

H.B. NO. 3204

Report Title:
University of Hawaii; Procurement

Description:
Reinstates the ability of the Board of Regents of the University of Hawaii to develop internal policies and procedures for the procurement of goods and services rather than use the State procurement code.

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JUSTIFICATION SHEET

DEPARTMENT: University of Hawaii

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

PURPOSE: To authorize the Board of Regents to develop internal policies and procedures for the procurement of goods, services, and construction not subject to chapter 103D, Hawaii Revised Statutes.

MEANS: Amend section 304A-105, Hawaii Revised Statutes.

JUSTIFICATION: This bill would reinstate the authority to develop procurement policies and procedures previously conferred upon the Board of Regents by Act 115, Session Laws of Hawaii 1998. Act 115 amended various statutes pertaining to the University of Hawaii for the purpose of delegating substantially increased authority to the Board of Regents over the management of the real and personal assets of the University. This legislation largely resulted from the evaluation and recommendations of an economic revitalization task force convened by the Governor, the President of the Senate, and the Speaker of the House which concluded that the University of Hawaii should be provided greater autonomy over its affairs through the delegation of increased decision-making authority and responsibility to the Board of Regents and the University administration.

Act 216, Session Laws of Hawaii 2004 (H.B. No. 2136), effective on January 1, 2005, repealed various statutory exemptions to the Hawaii Public Procurement Code, and specifically amended section 304-4, Hawaii Revised Statutes, to eliminate the authority of the Board of Regents to develop policies and procedures specific to the procurement

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of goods, services and construction on behalf of the University, not subject to the requirements imposed by chapter 103D. The proposed bill would restore the statutory language in subsection (d) of section 304-4, Hawaii Revised Statutes, which was eliminated by Act 216, so that the Board of Regents would again be afforded the managerial flexibility to develop procurement procedures, not subject to chapter 103D, to meet the specific needs and operational requirements of the University.

Impact on the public: None.

Impact on the department and other agencies: None.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: 07 03 06
UOH-900

OTHER AFFECTED AGENCIES: Department of Accounting and General Services.

EFFECTIVE DATE: Upon approval.