HOUSE OF REPRESENTATIVES
TWENTY-FIFTH LEGISLATURE, 2010
STATE OF HAWAII

H.R. NO. 126

HOUSE RESOLUTION

REQUESTING A FEASIBILITY STUDY TO DETERMINE WHETHER THE STATE PROCUREMENT OFFICE SHOULD CENTRALIZE THE PROVISION OF COMPLEX PROCUREMENT SERVICES.

WHEREAS, the Legislature adopted House Concurrent Resolution No. 76, H.D. 1, S.D. 1 in 2009, establishing a Task Force on Reinventing Government to examine the existing operations and organization of Hawaii’s state government and recommend ways to make Hawaii’s government more efficient; and

WHEREAS, The Task Force on Reinventing Government was formed in October 2009 and gathered together a varied group of government leaders, state agency and department heads, community leaders, nonprofit organization leaders, and business executives from around the State; and

WHEREAS, The Task Force formed subcommittees to examine six primary departments and issue areas and tasked each subcommittee with formulating up to five recommendations relating to each issue area; and

WHEREAS, on January 4, 2010, the Task Force as a whole adopted the recommendations of the subcommittees as the recommendations of the Task Force; and

WHEREAS, one of the concerns noted by the Land and Natural Resources Subcommittee was the complexity of the Hawaii Public Procurement Code and process for preparing Requests for Proposals for certain projects; and

WHEREAS, the Land and Natural Resources Subcommittee found that the State Procurement Office provides extensive training to agency staff on all islands on how to properly conduct procurement, and many projects are stalled as staff await procurement training; and

WHEREAS, the Land and Natural Resources Committee recommended centralizing complex procurement by having the State Procurement Office prepare complex procurement documentation for
state agencies on a fee-for-service basis, rather than by
providing procurement training to agency staff members; and

WHEREAS, the Legislature finds that the centralization of
complex state procurement could create a fair system of charging
agencies for the state procurement services they use and reduce
delays in the commencement or completion of projects, thereby
improving government efficiency and productivity; now,
therefore,

BE IT RESOLVED by the House of Representatives of the
Twenty-fifth Legislature of the State of Hawaii, Regular Session
of 2010, that the State Procurement Office or, if necessary, a
working group convened by the State Procurement Office, is
requested to perform a feasibility study to determine whether
the State Procurement Office should centralize complex
procurement services for state agencies through a fee-for-
service or other funding mechanism; and

BE IT FURTHER RESOLVED that the feasibility study compare
costs, personnel, and the amount of time required to prepare and
complete complex procurement documentation and Requests for
Proposals when the procurement process is undertaken by state
agency staff trained by the State Procurement Office against the
same measures when the State Procurement Office prepares
documentation for complex procurement services and Requests for
Proposals for state agencies; and

BE IT FURTHER RESOLVED that if the State Procurement Office
or the working group, as the case may be, finds that
centralization of complex procurement services is feasible, the
Office or the working group is requested to include in its
findings whether a fee-for-service funding mechanism for the
Office's provision of services is recommended and the
recommended amount of the fee for services; and

BE IT FURTHER RESOLVED that if the State Procurement Office
or the working group, as appropriate, finds that a fee-for-
service funding mechanism is not feasible or recommended, the
Office or working group is requested to recommend an alternative
funding mechanism, which may be similar to the collection of a
percentage of certain special fund receipts for central service
expenses pursuant to section 36-27, Hawaii Revised Statutes, the
reimbursement of a pro rata share of administrative expenses
incurred by a department for the operation of a special fund pursuant to section 36-30, Hawaii Revised Statutes, or another funding mechanism; and

BE IT FURTHER RESOLVED that the State Procurement Office or the working group, as appropriate, report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Administrator of the State Procurement Office and the Comptroller.

OFFERED BY: [Signature] MAR 08 2010