A BILL FOR AN ACT

RELATING TO AIRPORTS.

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

SECTION 1. Chapter 261, Hawaii Revised Statutes, is
amended by adding a new section to part I to be appropriately
designated and to read as follows:

"§261- Procurement; exemption. (a) The director may
establish rules pursuant to chapter 91 for the procurement of
goods, services, and construction by the airports division of
the department.

(b) Rules adopted under this section shall require the
department to:

(1) Establish a chief procurement officer position to
oversee a centralized office of procurement
professionals to conduct procurement;

(2) Maintain internal policies and procedures for the
timely and efficient procurement of goods and
services, including planning, engineering, and
construction services, to include post-award contract
management and oversight procedures, that are
consistent with the goals of public accountability and public procurement practices;

(3) Publish the following on the website of the department:

(A) Procurement policies; and

(B) All solicitations, including any bid openings and additional solicitation documents;

(4) Implement and maintain an electronic procurement system to ensure electronic posting, to include requisition-to-check, contract management, and spend analysis modules;

(5) Develop key performance indicators covering the following four areas:

(A) Effective management and increased efficiency of the procurement process;

(B) Contract management and supplier performance;

(C) Transparency, openness, and accountability of procurement processes; and

(D) Professionalism of the procurement workforce;
(6) Develop a training and procurement delegation system;

(7) Award contracts for professional services furnished by licensees under chapter 464 in accordance with qualification-based selection; provided that professional services may be procured by other means in emergency situations; provided further that other services may be procured using best value competitive proposals and using, insofar as practical, deliverables as a payment method and limiting use of time and materials contracts;

(8) Prohibit cost plus percentage of cost type contracts;

(9) Insofar as practical and based on specifications developed, solicit no fewer than three proposals for each project;

(10) Consider quality, warranty, delivery, full lifecycle costs, handover, surge, disaster preparedness, best-value, and past performance in determining the most advantageous proposal;

(11) Prohibit artificial division or parceling that would avoid competitive bidding or competitive proposals;
(12) Implement a dispute resolution process for procurement award and post-award contract actions; and
(13) In an invitation to bid for construction, specify that all bids shall include the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor in the performance of the contract and the nature and the scope of the work to be performed by each; provided that other construction bids may be accepted if acceptance is in the best interest of the State and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than one per cent of the total bid amount.

(c) Procurement of goods, services, and construction by the airports division of the department pursuant to rules adopted under this section shall be exempt from chapter 103D."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.
SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: [Signature]

JAN 2 3 2019
Report Title:
DOT; Airports Division; Procurement; Exemption

Description:
Authorizes the Department of Transportation to exempt the application of the public procurement code to the Airports Division, subject to certain requirements.

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