

2014 Procurement Legislative Update

Hawaii Procurement Institute

While different organizations disagreed on how to improve or fix state procurement laws, they all agreed that contractors, procurement professionals, lawmakers and the State Procurement Office (SPO) should convene and have proactive discussions on procurement issues *before* the start of the next legislative session. This was the common message shared by speakers at the 2014 Legislative Update sponsored by the Hawaii Procurement Institute (HPI) on April 30, 2014. The audience of more than 20 from both the public and private sectors was a good indication that the issue of procurement was of great importance and interest.

Sarah Allen, recently confirmed by the Senate as the Administrator of the State Procurement Office, set the tone of the Update by offering her observations about the 2014 Legislative Session. She noted that

- Bills and resolutions aren't necessarily based on verified metrics,
- Bills don't consider the financial impact on revisions to statute,
- And most importantly, there are no pre- legislative communications; communications are in the form of testimonies and take place during hearings.



Sarah Allen offered her observations about the 2014 Legislative Session.

Sarah cited multiple high-profile bills that were introduced in 2014 proposed to

- Replace the state code with the Federal Acquisition Regulation (FAR),
- Adjust duty to defend terms and conditions for construction contractors and designers,
- Emphasize consideration of contractors' past performance on low-bid Invitation for Bids (IFBs), and
- Initiate mandatory three-year debarment of offerers for bad performance.



State Rep. Clift Tsuji, Sen. Pres. Donna Mercado Kim and State Rep. Aaron Johanson shared vital insight into their outlook on procurement in general.

State Rep. Clift Tsuji, who introduced a procurement bill during the 2014 Legislative Session, invited those in the procurement community to discuss legislation with lawmakers.

Rep. Tsuji talked about House Bill 2471, a bill he introduced to raise the contract amount threshold for verifying offeror compliance to \$5,000. Although this bill did not pass, he invited the procurement community to meet and discuss legislation and “get on the same page.”

Sen. Pres. Kim gave a rousing talk about how procurement oversight is critical to ensure the success of projects.

Rep. Johanson spoke about his experience in procurement and advised the procurement community to spend time educating lawmakers on how procurement works.



To ensure the success of projects, Senate President Donna Mercado Kim encouraged procurement oversight for projects.



The HPI Legislative Update was concluded with a call-to-action by UH Law Professor Danielle Conway.

University of Hawaii Law Professor Danielle Conway concluded the Update, inspiring the audience to conduct acquisition planning that includes market research.

With the aim of being proactive and gearing up for the 2015 Legislative Session, the SPO will initiate meetings with Legislators and stakeholders to look at bills regarding professional services, source selection communications, past performance, Request for Proposals (RFP) rules for construction, and small business preferences.

HPI presents its Summer Procurement Series, three half-day educational programs that are open to all. For more information about the Series, visit www.hawaiiprocurementinstitute.com.

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