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TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
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TO THE
HOUSE COMMITTEE
ON
ECONOMIC DEVELOPMENT & BUSINESS CONCERNS

February 5, 2008

HB 3113

RELATING TO THE PROCUREMENT CODE.

Chair Yamashita, Vice Chair Wakai and committee members, thank you for the opportunity to testify on HB 3113. The State Procurement Office (SPO) provides the following comments for your consideration.

The State Procurement Office (SPO) understands the intent of this bill is to provide for the use of cooperative purchasing programs established and administered under the procurement codes of the federal government or another state, provided that the procurement is for the use of one hundred per cent federally funded grants under the Homeland Security Grant Program.

The Hawaii Public Procurement Code (Code) promotes the policy of fair and equitable treatment of all persons who deal with the procurement system; fosters effective broad-based competition; and increases public confidence in public procurement. The Code and its rules provide for cooperative purchasing efforts to ensure coordination of the contracts and sufficient public notice of the State's intent to enter into any cooperative purchase contracts with a specified lead state/agency. Without these processes in place, there is no disclosure and transparency of the procurement. An agency will be able to "piggyback" onto an existing contract without notice denying any potential Hawaii business an opportunity to compete.

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Statutory exemptions for specific purchases from the Code are not in the best interest of government, the business community, and the general public. The Code establishes a time-tested, fair, and reliable set of rules and processes for award of contracts. The competitive procurement processes of the Code are to insure that all potential providers are afforded the opportunity to compete for the required services.

Fairness, open competition, a level playing field, and government disclosure and transparency in the procurement and contracting process are vital to good government. For this to be accomplished, we must participate in the process with one set of statutes and rules.

Thank you.