

LINDA LINGLE
GOVERNOR



LATE TESTIMONY

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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
TOURISM AND GOVERNMENT OPERATIONS
ON
January 29, 2008

S.B. 2011

RELATING TO PROCUREMENT

Chair Nishihara and members of the Committee, thank you for the opportunity to testify on S.B. 2011.

The Department of Accounting and General Services (DAGS) opposes this bill because it is unnecessary and impractical. Chief Procurement Officers (CPO) delegate responsibilities to their subordinates as well as non-subordinates because that is an effective way to fulfill their procurement responsibilities. The responsibilities CPO's delegates are determined by the procurement needs of the delegatee, and not by the delegatee's reporting relationship to the CPO.

The bill does not establish a basis for its assumption that contracts by subordinates of CPO's would have greater potential to be contrary to the State's procurement law than contracts by non-subordinates. There is no clear need for this bill's proposed change to the procurement code. Furthermore, requiring that every subordinate of a Chief Procurement Officer to whom procurement responsibility is delegated be

answerable to the Administrator of the State Procurement Office would place an unmanageable burden on the Administrator. There are 20 CPO's in the State and some of them, including the President of the University of Hawaii, the Superintendent of the DOE, and the Administrative Director of the Courts, have more than one subordinate. Requiring all of these officials to be answerable to the Administrator will slow the procurement process and create inefficiencies in providing service to the citizens that government is obligated to serve.

This bill is unnecessary and impractical. DAGS recommends that it be held.

Thank you for the opportunity to testify on this matter.

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GOVERNOR



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**TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE
SENATE COMMITTEE
ON
TOURISM AND GOVERNMENT OPERATIONS**

January 29, 2008

SB 2011

RELATING TO PROCUREMENT

Chair Nishihara, Vice Chair Kim and committee members, thank you for the opportunity to testify on SB 2011.

The State Procurement Office does not support this bill because it is not feasible. To require that every subordinate of a Chief Procurement Officer to whom procurement responsibility is delegated be answerable to the administrator of the SPO is not manageable. There are 20 statutorily designated CPOs and all delegate procurement responsibility, to many individuals. In the case of the State executive departments and the counties, delegation is given to all department heads. Requiring all of these officials to be answerable to the administrator will become an unworkable arrangement. We also question whether this will infringe upon the separation of powers, and interfere with another jurisdiction's operations and affairs.

Thank you.

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