

LATE TESTIMONY

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TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE
SENATE COMMITTEE
ON
INTERGOVERNMENTAL AND MILITARY AFFAIRS

February 4, 2008

SB 2172

RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE.

Chair Inouye, Vice Chair Tsutsui and committee members, thank you for the opportunity to testify on SB 2172. The State Procurement Office (SPO) does not support this bill.

The SPO understands the intent of this bill is to repeal requirements that county cooperative purchases adhere to administrative rules adopted by the State Procurement Policy Board.

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. The SPO recommends this bill be held.

Thank you.