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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
March 28, 2008

S.B. 2824, S.D. 2, H.D. 1

RELATING TO PROCUREMENT

Chair Oshiro and members of the Committee, thank you for the opportunity to testify on S.B. 2824, S.D. 2, H.D. 1.

The Department of Accounting and General Services (DAGS) opposes this bill. In Section 2, page 3, lines 1-3, it directs the Procurement Policy Board to audit any department, division, or agency based on a particular procurement. This is in direct contradiction to Chapter 103D-202 (c), which says that the board "shall not exercise authority over the award or administration of any particular contract, or over any dispute, claim, or litigation pertaining thereto."

In Section 4, the bill calls for a management audit of Chapter 103D and its administrative rules, but limits it to the State Procurement Office and specifically excludes the Legislature, the Judicial Branch, the Office of Hawaiian Affairs, and the counties. This means that at most, 3 of 20 procurement code jurisdictions will be audited.

Such an exclusion from the audit would make the audit results not representative of Chapter 103D.

In summary, this bill contradicts the Procurement Code in Section 2 and is discriminatory, and will yield non-representative results in Section 4.

DAGS recommends that this bill be held.

Thank you for the opportunity to testify on this matter.