

LINDA LINGLE
GOVERNOR



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**STATE OF HAWAII
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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
ECONOMIC DEVELOPMENT & BUSINESS CONCERNS
ON
March 11, 2008

S.B. 2825, S.D. 1

RELATING TO PROCUREMENT

Chair Yamashita and members of the Committee, thank you for the opportunity to testify on S.B. 2825, S.D. 1.

The Department of Accounting and General Services (DAGS) opposes this bill because it is unnecessary. First, there are already provisions in the law for administrative fines for violations of the procurement code. In addition, the wording on page 1, lines 10-12 suggests that the administrator, who is just 1 of 20 Chief Procurement Officers, is making determinations in the other jurisdictions as well. This undermines the authority of the other Chief Procurement Officers.

The bill in its current form inserts a provision requiring the Comptroller to become an ex-officio nonvoting member of the State Procurement Policy Board. There is no basis in the bill's language or the committee report for taking away the Comptroller's vote.

The state procurement code applies to state and county agencies. The State Procurement Policy Board adopts rules to implement the state procurement code. The Board has seven members, all with voting rights. Two members are government employees, one representing the counties and one, the Comptroller, representing the state. The other five members are not state or county employees. If the Comptroller's vote is taken away, there will be only one vote representing the government agencies to whom the state procurement code applies. DAGS believes this will make the Board less effective.

DAGS recommends that this bill be held.

Thank you for the opportunity to testify on this matter.

LINDA LINGLE
GOVERNOR

AARON S. FUJIOKA
ADMINISTRATOR



PROCUREMENT POLICY BOARD
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AATORN S. FUJIOKA
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TO THE
HOUSE COMMITTEE
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SB 2825, SD 1

RELATING TO PROCUREMENT.

Chair Yamashita, Vice Chair Wakai and committee members, thank you for the opportunity to testify on SB 2825, SD 1. This testimony is limited to Section 2 of this bill which allows the administrator of the State Procurement Office (SPO) to determine corrective actions, and assess an administrative fine when a procurement officer has not complied within thirty days.

The SPO supports the intent of Section 2 of this bill.

Thank you.