



**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
ECONOMIC REVITALIZATION, BUSINESS, & MILITARY AFFAIRS
ON
March 24, 2009

H.C.R 210/H.R. 171

REQUESTING THE FORMATION OF A JOINT LEGISLATIVE PROCUREMENT WORKING GROUP TO EVALUATE THE STATE PROCUREMENT CODE AND RECOMMEND IMPROVEMENTS.

Chair McKelvey and members of the Committee, thank you for the opportunity to testify on H.C.R. 210/H.R. 171.

The Department of Accounting and General Services (DAGS) appreciates the intent of H.C.R. 210/H.R. 171 and has comments to offer.

First, the joint legislative procurement working group should be tasked to look at both Chapter 103D and 103F of the HRS. There does not appear to be a clear reason why goods, services and construction should be governed by Chapter 103D, HRS, while health and human services should be governed by another procurement code under Chapter 103F, HRS.

Second, if the joint legislative procurement working group is to diligently review either or both Chapter 103D and Chapter 103F, and recommend improvements, twenty days prior to the convening of the 2010 Legislature is not enough time.

DAGS also has some technical corrections. On page 2 line 6, each county administration has a chief procurement officer, as do each of the councils and each of the boards of water supply. That means that there would be 12 representatives from the counties, and the task force would total 30 members. That may be cumbersome. On page 2, lines 26 – 27, the University of Hawai'i Procurement Institute resides at the William S. Richardson School of Law. Professor Danielle Conway Jones heads the UH Procurement Institute. The Hawai'i Procurement Institute is independent of the University.

DAGS believes that providing the professional, technical, and clerical support to a 30 member may be an extensive requirement. DAGS does not have the budget or human resources to add this to its responsibility. Doing so would make this task an unfounded mandate.

Thank you for the opportunity to testify on this mater