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To: Honorable J. Kalani English
Chair, Committee on Transportation
International and Governmental Affairs

Hearing: February 2, 2009

Re: SB 717 Relating To Transportation

Chairman English and Honorable Committee Members:

My name is Jim Stone and I am a private attorney and a consultant to Securitas Security Services.

I support this bill that will clarify matters and assist Hawaii's Department of Transportation ("DOT") in providing flexibility that will allow it to negotiate security contracts at our public airports.

Historically Hawaii's airport-security contracts have been handled by sealed bid with the contract awarded to the lowest bidder. This is not in Hawaii's best interest since after the sealed bid is awarded the winning-low-bid contractor is then provided with all federal requirements and confidential matters that seek to only add further costs and burdens that were not disclosed to the winning bidder prior to bid.

This obviously raises concerns as to whether the winning-lowest bidder might cut back on services or default on its contract given such added cost factors are only disclosed after the contract is awarded. Given the added federal and confidential requirements in the post-September 11 environment, it would be in Hawaii's best interest to award such contracts by negotiation rather than sealed bid. An award by negotiation would give DOT some comfort and assurance that a fair price was negotiated after all federal and confidential requirements were fully disclosed to the winning contractor.

Since tourism is a major sector of Hawaii's economy it's critical that security at Hawaii's airports not be compromised or put in jeopardy by the past low-bid-winner process. Hawaii deserves a better process.

This bill by adding security concession or security operation type contracts to a list of contracts that may be negotiated seeks to clarify current law and counter possible legal challenges that security contracts that are negotiated are in violation of past practices of the DOT or conflict with sections of Hawaii's law. Why not clarify the law? Thank you.

Memo

January 30, 2009



From: Ray Romero
Managing Director
Securitas Security Services USA, Inc.

To: Senator J. Kalani English
Chairman, Committee on Transportation, International and Governmental Affairs
Senate
Honolulu, HI 96813

Re: SB 717 Relating to Transportation

Chairman English and Honorable Committee Members:

My name is Ray Romero and I am the Managing Director with Securitas Security Services USA, Inc.

Securitas supports this bill. We believe this is a very important bill that will seek to ensure that security at our public airports is not compromised.

Since security concession contracts are not on a list of airport contracts that can be negotiated, typically, such contracts have been awarded by sealed public bid; lowest bidder wins. Such contracts should be added to the list of contracts that can be negotiated since the terrorist events of September 11, 2001 and federal security requirements have dramatically changed the security at our public airports.

After the events of 9/11, TSA and other federal agencies have imposed requirements and confidential matters that cannot be attached to the public bid documents given their sensitive nature and to avoid disclosure to possible terrorist-type groups or individuals. As a result, the winning bidder is not made aware of all of the additional cost factors that it must bear as part of the winning bid until after it is awarded the contract, based on its lowest bid. This is obviously not good and could easily place a winning bidder in situation of either defaulting on its contract or cutting back on services to try and meet the added costs imposed by these federal requirements and confidential matters.

Security at our public airports should not be jeopardized. Allowing security contracts to be negotiated will seek to ensure this. A process of negotiation will allow the department to select a finalist in the negotiation process but not complete the terms of the contract until the cost factors associated with the federal requirements have been disclosed and negotiated. This process will seek to ensure that a winning bidder is fully apprised of all cost factors (particularly cost factors associated with federal requirements and confidentiality matters) prior to finalizing its contract. This process will provide your department with a peace of mind that the contractor will not default on its contract or cut back on services since its bid was too low because it was not made aware of various cost factors that could not be disclosed.

We urge to help to ensure that security at our public airports is not compromised by passing this bill. Thank you for allowing me to testify.

Securitas Security
Services USA, Inc.
401 Waiakamilo Road
Suite 202
Honolulu, HI 96817

Phone 808-842-4800
Fax 808-842-3492
www.securitasinc.com

Memo

January 30, 2009



From: Sanj Sappal
Area Vice President
Securitas Security Services USA, Inc.

To: Senator J. Kalani English
Chairman, Committee on Transportation, International and Governmental Affairs
Senate
Honolulu, HI 96813

Re: SB 717 Relating to Transportation

Chairman English and Honorable Committee Members:

My name is Sanj Sappal and I am the Area Vice President with Securitas Security Services USA, Inc.

Securitas supports this bill. We believe this is a very important bill that will seek to ensure that security at our public airports is not compromised.

Since security concession contracts are not on a list of airport contracts that can be negotiated, typically, such contracts have been awarded by sealed public bid; lowest bidder wins. Such contracts should be added to the list of contracts that can be negotiated since the terrorist events of September 11, 2001 and federal security requirements have dramatically changed the security at our public airports.

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We urge to help to ensure that security at our public airports is not compromised by passing this bill. Thank you for allowing me to testify.

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