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GOVERNOR



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LATE

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION
COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS

SENATE BILL NO. 717

The Department of Transportation (DOT) **cannot support** this bill in its current form.

Like most other public airports, Hawaii's public airports have dramatically changed its security and regulatory requirements since the terrorist events of September 11, 2001. Further, in response to ongoing terrorist reports, security and regulatory requirements are classified, sensitive, and constantly evolving and changing as the Transportation Security Administration (TSA), the U.S. Department of Homeland Security, and other federal security agencies issue new Security Directives and impose new regulations and requirements for staffing, security, and other operational matters.

The DOT understands the intent of this bill, which is to allow the DOT to acquire security services through negotiations. The DOT appreciates the legislative acknowledgement that TSA security-sensitive requirements pose unique challenges to the procurement process. However, Chapter 103D authorizes the State Procurement Policy Board to adopt rules governing procurement; and the Policy Board has in fact adopted rules that allow the DOT to procure services when sealed competitive bids are not practical or advantageous. Sections 2-122-43 through 3-122-61.08 of the Hawaii Administrative Rules provide the process for the DOT to obtain services when the primary consideration in determining the award may not be price.

Moreover, we are currently coordinating with TSA to identify procedures to allow us to divulge sensitive information to potential bidders without jeopardizing security. Additionally, the DOT, in conjunction with the Department of the Attorney General, is working on procedures to solicit security contracts through the Request For Proposal process without violating any procurement regulations and without compromising competition through the bidding process.

Therefore, we cannot support this bill in its current form. However, we will continue to explore methods that will allow the DOT to procure security services at our airports without compromising security. Thank you for considering this testimony.