



**STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING  
AND GENERAL SERVICES**  
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TESTIMONY  
OF  
RUSS K. SAITO, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
HOUSE COMMITTEE  
ON  
FINANCE  
ON  
FEBRUARY 18, 2010

H.B. 2133, H.D. 1

RELATING TO PROCUREMENT

Chair Oshiro and members of the Committee, thank you for the opportunity to testify on H.B. 2133, H.D. 1.

The Department of Accounting and General Services (DAGS) has concerns about H.B. 2133, H.D.1 because imposing a strict 45 day interval for the time between a project being advertised and the time its contract is executed may not be practical. Projects have many variations in size, scope, source selection methods and contract complexity. Having one interval apply to all may not be practical. DAGS suggests that further assessment be made before a set of intervals based on key variables are determined.

The basic intervals that need to be managed are project initiation, planning, design, bidding, and construction. These intervals need to be managed to optimize project objectives and results. In parallel, site selection, environmental assessments, impact statements and approvals need to be secured, land use, special management area,

conditional use, conservation district use, special, subdivision, height waiver, health, industrial, and building permits must be obtained.

Setting optimal intervals are project specific, but two other common intervals can be looked at. DAGS suggests that these are the time between the bid opening or offer receive dates and award dates (which should include certification), and the time between the award date and the start of construction date.

In short, the three sets of intervals that can be managed are:

Advertising to bid open

Bid open to contract award (including certification)

Contract award to start of construction

DAGS suggests that key departments with construction projects be allowed to work together to establish the intervals

Thank you for the opportunity to testify on this matter.