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TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE
HOUSE COMMITTEE
ON
ECONOMIC REVITALIZATION, BUSINESS & MILITARY AFFAIRS

February 11, 2010

10:30 a.m.

HB 2441

RELATING TO PROCUREMENT.

Chair McKelvey, Vice Chair Choy, and committee members, thank you for the opportunity to testify on HB 2441.

This bill requires contracts to be awarded within thirty days of the bid opening date limited to projects of the state departments of Hawaiian home lands and transportation, county boards of water supply, and county departments of housing, planning and permitting, and transportation. The State Procurement Office does not support this bill.

Reviews of procurement documents are to ensure award will be made to the responsive and responsible bidder, taking into consideration all factors to be evaluated such as specifications, qualifications, capability, compliance requirements, etc. On less complicated solicitations the review, evaluation and award may be completed within 30 days, however, on more complex, detailed solicitations, all documents need to be verified prior to an award. With the downsizing of government, these agencies may already be having resource issues affecting the review of the procurement documents on a timely basis.

This review process may also be delayed not by the agency, but by the bidder by not furnishing the necessary documents in a timely manner.

This proposed bill would not accomplish the goal of striking a balance between expedited procedures and necessary accountability and transparency, and will likely compromise the evaluation process if award is required within a 30-day time period as these agencies will need to make award but contingent upon completing the requirements noted above.

LINDA LINGLE
GOVERNOR



MORIOKA

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STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

TO:

IN REPLY REFER

FEBRUARY 11, 2010

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

COMMITTEE ON ECONOMIC REVITALIZATION,
BUSINESS, & MILITARY AFFAIRS

HOUSE BILL NO. 2441, RELATING TO PROCUREMENT.

While the Department of Transportation ("DOT") supports expediting the procurement process for projects, we do not support this bill as it is currently written. The DOT does support expediting the awarding of projects within thirty (30) days of bid opening. There are however, instances beyond the DOT's control to comply with this 30-day period that could result in the award of the contract being delayed. For example, the bid prices that DOT receives may exceed the amount of available funds. In these situations, the DOT is able to either: request that the bidders hold their bid price to allow the DOT time to seek additional funds; negotiate with the lowest responsible bidder to come within the available funds; or cancel the project.

We would request that this bill be amended to provide exemptions to the 30-day period for situations where the procurement involves a design-build criterion, or where the lowest responsible bid exceeds the available funds, or if negotiating with the bidder would result in a situation that is in the best interest of the public.



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KAULANA H. R. PARK, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEES ON COMMITTEE ON ECONOMIC REVITALIZATION,
BUSINESS, & MILITARY AFFAIRS

ON **HB 2441 RELATING TO PROCUREMENT**

February 11, 2010

Chair McKelvey, Vice-Chair Choy and Members of the Committee:

The Department of Hawaiian Home Lands supports HB 2441 which helps expedite the contract awards process for government projects, including projects on Hawaiian Home Lands.

HB 2441 will support our department's operations as the state's largest housing developer and, in turn, will help native Hawaiian families sooner realize their homeownership goals. I respectfully urge your committee to pass legislation like this that will help balance expedited procurement procedures with accountability and transparency to help move projects forward.

Thank you for the opportunity to testify on this measure.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO
 GENTRY PACIFIC DESIGN CENTER, STE. 215A • 560 N. NIMITZ HIGHWAY, #50 • HONOLULU, HAWAII 96817
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Drywall, Tapers, & Finishers
 Local 1944

RICHARD TAGGERE

Glaziers, Architectural Metal &
 Glassworkers Local Union 1889

RONAN KOZUMA

Hawaii Teamsters & Allied
 Workers Local 996

GARY AYCOCK

Boilermakers, Ironship Builders
 Local 627

LYNN KINNEY

District Council 50
 Painters & Allied Trades
 Local 1791

KALANI MAHOE

Operating Engineers Local 3

PETER GANABAN

Laborers' International Union of North
 America Local 368

DOUGLAS FULP

International Association of
 Heat & Frost Insulators
 & Allied Workers Local 132

February 9, 2010

Honorable Representative Angus L. K. McKelvey, Chair
 Honorable Representative Issac W. Choy, Vice Chair
 Members of the House Committee on Economic Revitalization,
 Business, and Military Affairs
 Hawaii State Capital
 415 South Beretania Street
 Honolulu, HI 96813

RE: **IN SUPPORT OF HB 2441**
RELATING TO PROCUREMENT
 Hearing: Thurs., Feb. 11, 2010, 10:30 a.m., Room 312

Dear Chair McKelvey, Vice Chair Choy and the House Committee on
 Economic Revitalization, Business, and Military Affairs:

For the Record my name is Buzz Hong the Executive Director for
 the Hawaii Building & Construction Trades Council, AFL-CIO. Our
 Council is comprised of 16-construction unions and a membership
 of 26,000 statewide.

Our Council **SUPPORTS** the passage of HB 2441 that requires
 contracts awarded to projects of the Departments of Hawaiian
 Home Lands and Transportation; county boards of water supply;
 and county departments of housing, planning and permitting, and
 transportation to be awarded within thirty days of the bid opening
 date.

Thank you for the opportunity to submit this testimony in support
 of HB 2441.

Sincerely,

W. Hong/dg

William "Buzz" Hong
 Executive Director

WBH/dg