

LINDA LINGLE
GOVERNOR OF HAWAII



KŪKULU KE EA A KANALOA

KAHO'OLAWE ISLAND RESERVE COMMISSION

811 Kolu Street, Suite 201, Wailuku, HI 96793
Telephone (808) 243-5020 Fax (808) 243-5885
Website: <http://kahoolawe.hawaii.gov>

COMMISSION MEMBERS

NOA EMMETT ALULI, M.D.
Chairperson
CRAIG NEFF
Vice-Chair
MILTON M. ARAKAWA, A.I.C.P.
COLETTE Y. MACHADO
LAURA H. THIELEN
AMBER NĀMAKA WHITEHEAD

Michael K. Nāho'opi'i
Executive Director

Testimony of
MICHAEL K. NAHO'OPI'I
Executive Director

SUPPORT

Before the House Committee on
HAWAIIAN AFFAIRS

February 3, 2010
10:15 AM
State Capitol, Conference Room 329

In consideration of
HOUSE BILL 2676
RELATING TO THE KAHO'OLAWE ISLAND RESERVE COMMISSION

House Bill 2676 would exempt the Kaho'olawe Island Reserve Commission (KIRC) from state procurement requirements for the purchase of food and fuel products needed to carry out KIRC's statutory responsibilities. KIRC supports this measure, as strict compliance with procurement requirements are often not practicable or advantageous to the state for the purchase of goods and services needed on Kaho'olawe, due to inherent challenges in planning, logistics and timeliness.

Relating to food and fuel products specifically, KIRC has consistently received approval for procurement exemptions or alternatives over the past several years, demonstrating that a statutory exemption for these items is justified.

LINDA LINGLE
GOVERNOR



PROCUREMENT POLICY BOARD
DARRYL W. BARDUSCH
LESLIE S. CHINEN
DARYLE ANN HO
KEITH T. MATSUMOTO
RUSS K. SAITO
PAMELA A. TORRES

AARON S. FUJIOKA
ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
<http://hawaii.gov/spo>

TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

OPPOSED

TO THE
HOUSE COMMITTEE
ON
HAWAIIAN AFFAIRS

February 3, 2010

10:15 AM

HB No. 2676

RELATING TO THE KAHO'OLAWA ISLAND RESERVE.

Chair Carrol, Vice-Chair Shimabukuro, and committee members, thank you for the opportunity to testify on HB 2676.

The State Procurement Office (SPO) does not support the language to exempt the Kaho'olawe Island Reserve Commission (KIRC) from HRS chapter 103D, the Hawaii Public Procurement Code (Code) for certain commodities.

In the past years, the KIRC received several procurement exemptions from the SPO for the acquisition of food and fuel due to a lack of offerors meeting KIRC's specific needs. The Code already provides flexibility to address KIRC's situation. Specific purchases may be exempted when it is not advantageous or not practicable. Although there is currently a lack of competition, the situation in the future may change making competition feasible. A statutory blanket exemption from procurement would not be reviewed to determine the appropriateness of that exemption, which over a period of time may change. The current practice requires KIRC and SPO to document the reason justifying the exemption and is available for public scrutiny and posted on the SPO website.

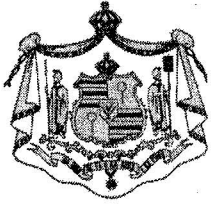
The SPO is against statutorily exempting specific agencies from the Code, as it is not in the best interest of government, the business community, and the general public. The Code establishes a time-tested, fair, and reliable set of rules and processes for award of contracts. The competitive procurement processes of the Code are to insure that all potential providers are afforded the opportunity to compete for the required services.

HB 2676
February 3, 2010
10:15 AM
Page 2 of 2

The Code should not be viewed as an obstacle to a purchasing agency's mission, but rather as the single source of public procurement policy to be applied equally and uniformly. It was the legislature's intent for the Code to be a single source of public procurement policy. Fairness, open competition, a level playing field, and government disclosure and transparency in the procurement and contracting process are vital to good government. For this to be accomplished, we must participate in the process with one set of statutes and rules.

Any governmental agency with the authority to expend funds should be in compliance with chapter 103D, which promotes the policy of fair and equitable treatment of all persons who deal with the procurement system; fosters effective broad-based competition; and increases public confidence in public procurement.

Thank you.



Association of Hawaiian Civic Clubs
P. O. Box 1135
Honolulu, Hawai`i 96807

SUPPORT

January 30, 2010

**TESTIMONY OF LEIMOMI KHAN, PRESIDENT
IN SUPPORT OF
H. B. 2676, RELATING TO THE KAHO`OLAWE ISLAND RESERVE COMMISSION**

**Hearing date and time: Wednesday, February 3, 2010, 10:15 a.m.
Committee on Hawaiian Affairs**

Aloha Representative Carroll, Chair, and members of the Committee on Hawaiian Affairs

Thank you for the opportunity to testify in support of H.B. 2676, which would exempt contracts made by the Kaho`olawe Island Reserve Commission for the procurement of food or fuel products from the state procurement code.

Members of the Association of Hawaiian Civic Clubs had the privilege to do a huaka`i to the Kaho`olawe Island Reserve in conjunction with our annual convention in November 2009, and to also receive a presentation by the Kaho`olawe Island Reserve Commission on its work on restoring the island. As a result, the AHCC passed resolution 09-31, Calling for the Future Use and Restoration of the Kaho`olawe Island Reserve, in which it committed to work with the KIRC in implementing sound and safe management of the Reserve.

Thus, with regard to H.B. 2676, we support its passage as a means to provide relief similar to Kalaupapa giving the KIRC some needed savings.

The Association is a growing national confederation of fifty-eight Hawaiian Civic Clubs, located throughout the State of Hawai`i and in the States of Alaska, California, Colorado, Illinois, Nevada, Utah, Virginia, Washington State, Tennessee, and Texas. It initiates and works to support actions that enhance the civic, economic, educational, health and social welfare of our communities, and in particular, the culture and welfare of the Native Hawaiian community.