

SB2279

Date: 02/03/2010

Committee: Senate Education and Housing

Department: Education

Person Testifying: Kathryn Matayoshi, Interim Superintendent of Education

Title of Bill: SB 2279 RELATING TO EDUCATION.

Purpose of Bill: Authorizes the issuance of general obligation bonds to fund department of education repair and maintenance projects (part I). Provides a temporary exemption from procurement laws to the department of education in order to expedite repair and maintenance capital improvement projects (part II).

Department's Position: The Department of Education (DOE) supports SB 2279 to the extent that its implementation does not impact or replace the priorities set forth in the DOE's budget for Fiscal Year 2011. The funds appropriated by this measure will help reduce the repair and maintenance project backlog at our public schools. It will continue an overall downward trend for the backlog since a December 2003 amount of \$703,000,000 to approximately \$347,000,000 currently, as a result of an average appropriation amount of \$89,000,000 for each fiscal year for repair and maintenance projects. For Part II, we note that the passage of Act 175, SLH 2009, which allows for construction procurements up to less than \$250,000 via electronic procurement, helps the DOE expedite the construction of repair and maintenance projects. In addition, DOE policies and procedures relating to procurement can be streamlined without passage of this Part.

Thank you for the opportunity to testify.

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**

**TO THE
SENATE COMMITTEE
ON
EDUCATION AND HOUSING**

February 3, 2010

1:15 PM

SB No. 2279

RELATING TO EDUCATION.

Chair Sakamoto, Vice-Chair Kidani, and committee members, thank you for the opportunity to testify on SB 2279.

The State Procurement Office's (SPO) testimony is limited to Sections 4 and 5 and does not support the language to exempt the Department of Education (DOE) from HRS chapter 103D, the Hawaii Public Procurement Code (Code).

As an alternative to totally exempting the DOE from the Code, we offer SB 2659 that streamlines the Code for the benefit of all government jurisdictions. We welcome the identification of any additional sections to be repealed or amended to expedite the procurement process to be included in SB 2659 for DOE's benefit as well as others. This approach will confirm the legislature's intent for the Code to be the single source of public procurement policy. Any statutes to expedite procurement and contracting requirements should be afforded to all government jurisdictions bound by the Code and not limited to the DOE.

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. To the extent agencies may need specific purchases to be exempted from Code requirements, the Code provides an exemption process.

SB 2279
February 3, 2010
1:15 PM
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. If individual agencies are exempted and allowed to develop their own individual processes, it becomes problematic and confusing to vendors, contractors and service providers that must comply with a variety of different processes and standards. 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 entity 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. There needs to be one single source of public procurement policy.

Thank you.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

GENTRY PACIFIC DESIGN CENTER, STE. 215A • 560 N. NIMITZ HIGHWAY, #50 • HONOLULU, HAWAII 96817
(808) 524-2249 • FAX (808) 524-6893

February 2, 2010

NOLAN MORRIAKI

President
Bricklayers & Ceramic Tile Setters
Local 1 & Plasterers/Cement
Masons Local 630

JOSEPH O'DONNELL

Vice President
Iron Workers Local 625

DAMIAN T. K. KIM

Financial Secretary
International Brotherhood of
Electrical Workers Local 1188

ARTHUR TOLENTINO

Treasurer
Sheet Metal Workers I.A. Local 293

REGINALD CASTANARES

Trustee
Plumbers & Fitters Local 675

THADDEUS TOMEI

Elevator Constructors Local 126

MALCOLM K. AHLO

Carpet, Upholstery, & Soft Tile
Local 1298

JOSEPH BAZEMORE

Drywall, Tapers, & Finishers
Local 1944

RICHARD TAGGERE

Glaziers, Architectural Metal &
Steelworkers Local Union 1889

ROWAN KOZUMA

Hawaii Teamsters & Allied
Workers Local 998

GARY AYCOCK

Boilermakers, Ironship Builders
Local 527

LYNN KINNEY

Electric Council 50
Painters & Allied Trades
Local 1751

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

Honorable Senator Norman Sakamoto, Chair
Honorable Senator Michelle Kidani, Vice Chair
Members of the Senate Committee on Education and Housing
Hawaii State Capital
415 South Beretania Street
Honolulu, HI 96813

RE: **IN SUPPORT OF SB 2279**
RELATING TO EDUCATION.
Hearing: Wed., Feb. 3, 2010, 1:15 p.m., Room 225

Dear Chair Sakamoto, Vice Chair Kidani and the Senate Committee on
Education and Housing:

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.

The Council SUPPORTS the passage of SB 2279 that authorizes the
issuance of general obligation bonds to fund Department of
Education repair and maintenance projects (part I). Provides a
temporary exemption from procurement laws to the Department of
Education in order to expedite repair and maintenance capital
improvement projects (part II).

Thank you for the opportunity to submit this testimony in support
of SB 2279.

Sincerely,

William "Buzz" Hong
Executive Director

WBH/dg