



**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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WRITTEN COMMENTS
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS
ON
February 23, 2010
S.B. 2659, S.D. 1

RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE

Chair Kim and members of the Committee, thank you for opportunity to comment on S.B. 2659, S.D. 1.

The Department of Accounting and General Services (DAGS) strongly supports this bill's efforts to simplify and streamline the procurement process to enable agencies to procure goods, services and construction in a timely manner. This is especially important when the economy is in a downturn and government procurement can serve to stimulate the economy. DAGS prefers that the full effect of this bill be achieved by restoring the sections that were moved to S.B. 2062, S.D.1, sections 3 thru 34.

Thank you for the opportunity to comment on this matter.

LINDA LINGLE
GOVERNOR



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**WRITTEN COMMENTS
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS**

February 23, 2010

10:00 AM

SB 2659, SD 1

RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE.

Chair Kim, Vice-Chair Tsutsui, and committee members, thank you for the opportunity to provide comments on SB 2659, SD 1.

The State Procurement Office (SPO) supports this bill to simplify and streamline the procurement processes of chapter 103D, the Hawaii Public Procurement Code (Code) enabling agencies to expeditiously acquire the resources or services needed to perform their missions. The Code is the single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure and transparency in the procurement and contracting process vital to good government.

SECTION 1 amends the current statute for preference for recycled oil products by moving this from part XIII to the appropriate part X for preferences; and SECTION 4 is to repeal same section and move this to PART X, Preference. Additionally, it amends to make this an option for chief procurement officers to implement. As procurement professionals, preferences are viewed as increases to cost, tend to be cumbersome, complex, and increases costs to the State, as the award may be given to the vendor with a preference at a higher dollar amount rather than to the lowest bid amount.

SECTION 2 amends §103D-1001 on definitions related to preferences to pulls the definitions from various areas of Part X on preferences and places in this section.

SECTION 3 amends §103D-1012 on biofuel preference from 'shall' to 'may' to provide agencies the flexibility to apply preference. Application of preferences for agencies tend to be cumbersome, complex, and increases costs to the State, as the award may be given to the vendor with a preference at a higher dollar amount rather than to the lowest bid amount. The definitions for "biodiesel" and "biofuel" are proposed to be moved to §103D-1001 on definitions.

Thank you.