



**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  
HOUSE COMMITTEE  
ON  
ECONOMIC REVITALIZATION & BUSINESS

February 08, 2011

8:00 AM

HB 351

**RELATING TO ECONOMIC RECOVERY.**

Chair McKelvey, Vice-Chair Choy, and committee members, thank you for the opportunity to testify on HB 351. This bill proposes to mandate all state agencies to finalize and certify contracts with the department of accounting and general services within sixty days of a contract being awarded.

The State Procurement Office (SPO) understands the intent of this bill, but is unable to address the impact this would have on the state agencies as this is largely addressing a management issue, as the responsibility to finalize and certify contracts is within each state agency. The SPO would not be able to speak on behalf of the numerous state agencies since the resources and level of expertise to meet the 60-day requirement are within the auspices of those agencies. Another concern would be the delays encountered with the contractor unable to furnish the necessary contract documents such as certificate of insurance or performance bond, in a timely manner.

HRS §103D-309 on contract not binding unless funds available, is the applicable section related to certification of funds, and applies equally to all financial entities of each of the applicable governmental bodies, "...the comptroller, the director of finance of a county, or the respective chief financial officers of the department of education, the judiciary, or the legislative branches of the State or county....". Use of §103D-318 to mandate certification of funds is not applicable and confusing.

The SPO recommends that HB 351 be deferred. Thank you.