

PBMtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 01, 2012 2:42 PM
To: PBMtestimony
Cc: bfspurchasing@honolulu.gov
Subject: Testimony for HB2318 on 2/2/2012 9:00:00 AM
Attachments: C&C of Honolulu Testimony HB 2318.pdf

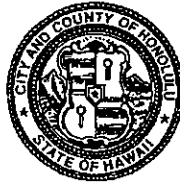
Testimony for PBM 2/2/2012 9:00:00 AM HB2318

Conference room: 309
Testifier position: Oppose
Testifier will be present: No
Submitted by: Michael Hansen
Organization: City & County of Honolulu
E-mail: bfspurchasing@honolulu.gov
Submitted on: 2/1/2012

Comments:

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
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PETER B. CARLISLE
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MICHAEL R. HANSEN
DIRECTOR

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DEPUTY DIRECTOR

February 1, 2012

Rep. Henry J.C. Aquino, Chair,
Rep. Ty Cullen, Vice Chair,
and Members of Committee on
Public Safety & Military Affairs
House of Representatives
The Twenty-Sixth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Chair Aquino, Vice Chair Cullen and Members:

Subject: House Bill No. 2318 Relating to the Hawaii Public Procurement Code

Thank you for the opportunity to testify on H.B. 2318. The City & County of Honolulu understands the intent of the bill. However, in general, the City opposes any type of bid preference.

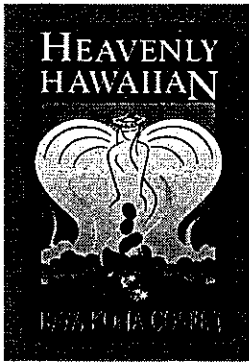
Bid preferences lead to higher costs for goods, services and construction projects. These higher costs are associated with increased administrative responsibilities for contracting agencies and an increased bottom-line contract price to the public. This bill may result in contract prices to the public that are from five to nine percent higher, under Section 2 of the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Hansen".

Michael R. Hansen, Director
Budget & Fiscal Services

LATE TESTIMONY



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Representative Henry J.C. Aquino
Chair, Public Safety and Military Affairs Committee (PBM)
Room 419, Hawaii State Capitol

February 1, 2012

RE: Testimony - HB 2318

Dear Representative Aquino and Committee Members:

I am David Bateman, co-owner of Heavenly Hawaiian Farms, a 38 acre Kona coffee farm, in Holualoa, Island of Hawaii. I am a retired vet, having served as a USAF/JAG from 1972-78 and as a USAFR/JAG from 1978-97. I am also the Hawaii regional advocate for NaVOBA (National Veteran Owned Business Association).

I assisted in the drafting of HB 1996, a bill Relating to Veteran Owned Businesses, which was drafted and submitted prior to HB 2318. HB 1996 provides for a 3% vet set aside from all state procurement contracts and a 4.5% preference for vet owned businesses and 5% for service disabled vet owned business.

I strongly support veteran set asides from state procurement and preferences in bidding on state contracts as stated in HB 1996. I oppose HB 2318 as drafted for the following reasons:

1. HB 2318 provides for no vet set aside from state procurement as provided for in HB 1996.
2. HB 2318 provides a preference for veterans and service disabled veterans who may not even own or control a business attempting to do business with the state. There is no focus on vet owned business.

I believe HB 2318 misses the mark in attempting to help vets and their businesses. The intent of the national movement, advocated by NaVOBA and other national vet organizations, as reflected in HB 1996, is to help vets reintegrate into civilian life and business income production, by promoting and assisting their businesses. Unfortunately, HB 2318 does not accomplish this interconnected dual goal, in my opinion. However, I believe HB 2318 can be amended to reach this goal by incorporating the key elements of HB 1996, into the language of HB 2318. I would be pleased to assist in a redraft of HB 2318. If the committee is opposed, I strongly recommend a separate hearing be scheduled on HB 1996. The two bills could be reconciled at that point. Our mutual effort to help returning vet business owners is critical. We cannot fail them.

Sincerely,
David Bateman, Col, USAFR (Ret)
President, Heavenly Hawaiian Farms