



**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>

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

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

March 29, 2012

9:00 a.m.

HB 2529, HD1, SD1

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

Chair Ige, Vice-Chair Kidani, and committee members, thank you for the opportunity to comment on HB 2529, HD1, SD1. This bill allows an exemption from HRS chapter 103D, Hawaii Public Procurement Code (Code), for expenditures and procurements less than \$100,000 made from Hawaiian home trust funds.

The State Procurement Office opposes this bill. It is not appropriate to exempt these "trust" funds expenditures because regardless of what it may be called, the awarding of public funds resulting in a contract with a private entity, should be done in accordance with the Code. The department should use the solicitation process pursuant to HRS section 103D-303, competitive sealed proposals to award "trust" funds. Developing another set of "*internal policies and procedures .... that are consistent with the goals of public accountability and public procurement practices for expenditures from these funds*" creates confusion for vendors, contractors, and service providers as to which set of rules and procedures is applicable. Agencies should not be allowed to create their own contract awards process that "basically follow procurement practices" that are self-enforced.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion or fraud in awarding of contracts. There is nothing unique or special in the awarding of these funds that cannot be accommodated in the Code. To legislate that any one agency should be exempt from compliance with HRS chapter 103D conveys a sense of disproportionate equality in the law's application.

Thank you.



**HB2529 HD1 SD1**  
**RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS**  
Senate Committee on Ways and Means

March 29, 2012

9:00 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB2529 HD1 SD1, which provides DHHL with procurement flexibility for certain purchases.

This bill allows the Department of Hawaiian Homelands (DHHL) to streamline its procurement process for smaller contracts. This will make DHHL a more efficient agency and provide greater access to competitive bids from locally owned businesses that find the current procurement regime to have too many technical barriers. Increased efficiency and a more accessible bidding process will enable DHHL to provide better service to its beneficiaries, who are also OHA's beneficiaries.

Therefore, OHA urges the committees to PASS HB2529 HD1 SD1. Mahalo for the opportunity to testify on this important measure.

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [apohi21@gmail.com](mailto:apohi21@gmail.com)  
**Subject:** Testimony for HB2529 on 3/29/2012 9:00:00 AM  
**Date:** Tuesday, March 27, 2012 10:22:42 AM

---

Testimony for WAM 3/29/2012 9:00:00 AM HB2529

Conference room: 211  
Testifier position: Comments Only  
Testifier will be present: No  
Submitted by: Samson Brown  
Organization: Aupuni O Hawai'i  
E-mail: [apohi21@gmail.com](mailto:apohi21@gmail.com)  
Submitted on: 3/27/2012

Comments:

Aloha,

We continue to stand on our previous testimony submitted to the past scheduled public hearing with the HWN committee dated 03-19-2012.

E Hawai'i au,  
Samson and Bill Brown  
Aupuni O Hawai'i