



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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

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

February 23, 2012

9:00 a.m.

SB 2288

RELATING TO ENERGY.

Chair Ige, Vice-Chair Kidani, and committee members, thank you for the opportunity to submit comments on SB 2288. This bill establishes the negotiated partner approach pilot program for energy savings contracts, allowing agencies to negotiate directly with vendors. The selection of the vendor is exempt from HRS chapter 103D, Hawaii Public Procurement Code.

Entering into direct negotiations with a non-competitive selected contractor without an open and fair evaluation process to determine the most qualified vendor for a specific project leads to abuse, favoritism, the perception of "let's make a deal", collusion or fraud in awarding of contracts.

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. To legislate that any one entity should be exempt from compliance with HRS chapter 103D conveys a sense of disproportionate equality in the law's application.

The State Procurement Office opposes the bill. Thank you.