

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
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TESTIMONY OF NELSON H. KOYANAGI, JR.
DIRECTOR OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
BEFORE THE HOUSE COMMITTEE ON JUDICIARY
Tuesday, February 11, 2014, 2:00 p.m., Conference Room 325

HOUSE BILL 2442, "RELATING TO STATE CONTRACTS"
Position: In Opposition

TO: The Honorable Karl Rhoads, Chair
and Members of the Committee on Judiciary

The Department of Budget and Fiscal Services, City and County of Honolulu, **opposes** House Bill No. 2442, Relating to State Contracts.

The bill is unnecessary since proper protection currently exists in the State's procurement code. HRS §103D-702, Authority to debar or suspend, provides the State's Chief Procurement Officers the ability to debar or suspend an Offeror from consideration for award for cause. HRS §103D-310, Responsibility of Offerors, provides the State's procurement officers the ability to determine if an Offeror has the proper business integrity to perform the work.

For the reasons stated above, the City respectfully requests that this bill be held in Committee.

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact the Department of Budget & Fiscal Services' Division of Purchasing at 808-768-5535 or bfs purchasing@honolulu.gov.

COMMUNITY ALLIANCE ON PRISONS

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COMMITTEE ON JUDICIARY

Rep. Karl Rhoads, Chair

Rep. Sharon Har, Vice Chair

Tuesday, February 11, 2014

2:00 p.m.

Room 325

SUPPORT - HB 2442 - State Contracts

Aloha Chair Rhoads, Vice Chair Har and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies for more than a decade. This testimony is respectfully offered on behalf of the 5,800 Hawai`i individuals living behind bars, always mindful that approximately 1,500 Hawai`i individuals are serving their sentences abroad, thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Native Hawaiians, far from their ancestral lands.

HB 2442 prohibits the State from contracting with an offeror that has committed fraud or certain other crimes within seven years preceding the offer. Effective July 1, 2014.

Community Alliance on Prisons supports this measure and respectfully asks the state to consider the numerous problems with Corrections Corporation of America (CCA) such as ethics:

CCA was held in contempt of court in the Idaho suit against the CCA's prison called the "gladiator school." Most disturbing are the ethical violations, **falsifying information**,

"...The judge also rejected CCA's contention that the former warden and other company officials didn't know about the understaffing, saying that they had been warned of the staffing problems multiple times and at the very least failed to check it out.

'For CCA staff to lie on so basic a point – whether an officer is actually at a post – **leaves the Court with serious concerns about compliance in other respects**, such as whether every violent incident is reported,¹ -- U.S. District Judge David Carter

CCA has been proven to be a 'bad actor'. We ask the committee to pass this measure.

Mahalo for this opportunity to testify.

¹ Judge: CCA in Contempt For Prison Understaffing, Boone, September, 16, 2013. Associated Press, The Big Story. Retrieved December 7, 2013.

<http://bigstory.ap.org/article/judge-cca-contempt-prison--understaffing>



Community Alliance for Mental Health

February, 11, 2014

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To: House Committee on the Judiciary
Re: HB 2442

Aloha Chair Rhoads and the members of the committee,

On behalf of the Community Alliance for Mental Health along with United Self Help we support passage of HB 2442.

We feel that honesty and transparency in the establishment and operations of any organization doing business with the state especially in the non-profit field, is essential in establishing and maintaining the trust and support of the people.

Considering that we support the passage of HB 2442.

Scott Wall
VP/ Legislative Advocate
Community Alliance for Mental Health



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STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
JUDICIARY

FEBRUARY 11, 2014, 2:00 PM

HB 2442 - RELATING TO STATE CONTRACTS

Chair Roads, Vice-Chair Har, and members of the committee, thank you for the opportunity to submit testimony on HB2442.

The SPO believes the bill is unnecessary as prohibitions exist in the debarment/suspension language set forth in HRS § 103D-702. Pursuant to HRS §103D-702(a), Authority to debar or suspend, in which the Chief Procurement Officer "...after consultation with the using agency and the attorney general or corporation counsel, may debar a person for cause for consideration for award of all public contracts and from performance of any public contract... The debarment period shall not exceed *three* years." The causes for debarment or suspension include the following:

- 1) Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract;
- 2) Conviction under state or federal statutes relating to embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a contractor;
- 3) Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.
- 4) Any other cause the chief procurement officer determines to be so serious and compelling as to affect responsibility as a contractor, including debarment by another governmental entity for any cause listed in the rules of the policy board.