



**STATE OF HAWAII  
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COMMENTS  
OF  
AARON S. FUJIOKA  
ADMINISTRATOR  
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TO THE  
SENATE COMMITTEE  
ON  
WAYS AND MEANS

February 22, 2013

9:00 a.m.

SB 1275

RELATING TO THE KAHO'OLAWE ISLAND RESERVE COMMISSION.

Chair Ige, Vice-Chair Kidani, and committee members, thank you for the opportunity to comment on SB 1275.

The State Procurement Office (SPO) opposes the amendment to make permanent the exemption of the Kaho'olawe island reserve commission (KIRC) from HRS chapter 103D, the Hawaii Public Procurement Code (Code) for the procurement of food and fuel products.

Prior to Act 159, SLH 2010, the SPO reviewed KIRC's exemption request for food and fuel products at least once a year, and granted approval on a yearly basis. This process provides oversight and accountability. A statutory exemption is void of these checks and balances. In addition, market conditions change, and it may be advantageous in the future to compete out the subject commodities.

Public procurement's primary objective is to give everyone equal opportunity to compete for government contracts; to prevent favoritism, collusion or fraud in awarding of contracts. Meeting this objective requires a single set of statutes and rules that define and mandate the use of selection processes that are competitive, efficient, fair, transparent, open and impartial. Statutorily exempting specific agencies from the Code, is not in the best interest of government, the business community, and the general public.

The SPO request this bill be held. Thank you.