

# **SB 87**

Measure Title: RELATING TO PUBLIC HOUSING.

Report Title: Hawaii Public Housing Authority; Corporations; Management and Support Services Contracts

Description: Authorizes the Hawaii public housing authority to contract with a corporation for management and other support services when the authority determines it is unable to perform these services.

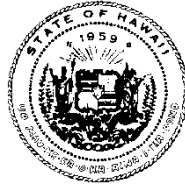
Companion:

Package: Housing and Homeless

Current Referral: HMS, EGH

Introducer(s): CHUN OAKLAND, GALUTERIA, RUDERMAN, Dela Cruz, Nishihara, Shimabukuro, L. Thielen

NEIL ABERCROMBIE  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
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Statement of  
**Hakim Ouansafi**  
Hawaii Public Housing Authority  
Before the

**SENATE COMMITTEE ON HUMAN SERVICES**

January 26, 2013 1:15 P.M.  
Room 229, Hawaii State Capitol

In consideration of  
**Senate Bill 87**  
**Relating to Public Housing**

Honorable Chair and Members of the Senate Committee on Human Services, thank you for the opportunity to provide you with comments regarding Senate Bill (S.B.) 87, relating to public housing.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which would authorize the HPHA to contract with a corporation for management and other support services when the HPHA determines that it is unable to perform these services.

While section 356D-10 Hawaii Revised Statutes (HRS) currently allows the HPHA to designate corporate agents to hire private property management companies to manage Asset Management Projects (AMPs), the agency believes that this measure will further clarify the statute and will go a long way to provide our most needy individuals, families, the elderly and the disabled with acquiring public housing and services that are currently unavailable to them. The HPHA recognizes that it has limitations, and is willing to listen and work with others that can assist our tenants in a better manner.

The HPHA appreciates the opportunity to provide the Senate Committee on Human Services with the agency's position regarding S.B. 87. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support.



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TESTIMONY  
OF  
AARON S. FUJIOKA  
ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE  
SENATE COMMITTEE  
ON  
HUMAN SERVICES

January 26, 2013

1:15 p.m.

SB 87

RELATING TO PUBLIC HOUSING.

Chair Chun Oakland, Vice-Chair Green, and committee members, thank you for the opportunity to testify on SB 87. This bill allows the Hawaii Public Housing Authority (HPHA) to manage their programs through a corporation to be exempted from HRS chapter 103D, Hawaii Public Procurement Code.

The bill language is not clear on its intent. On page 2, line 14 to 15, "*These services may be provided to the authority by a corporation without regard to chapters 76, 78, 89, and 103D.*" If the intent of this bill is directed towards the private corporation not be bounded to follow HRS chapter 103D, then this sentence is unnecessary. HRS chapter 103D is not applicable to Non-government entities. However, if the intent of this bill is to exempt the HPHA from HRS chapter 103D, then the SPO opposes this exemption.

There is no compelling reason to statutorily exempt HPHA in contracting with a corporation to manage HPHA's program from the requirements of HRS chapter 103D. Public procurement's primary objective is to provide vendors, contractors and service providers equal opportunity to compete for government contracts, to prevent favoritism, collusion or fraud in awarding of contracts. To legislate that any one agency should be exempt from compliance with HRS chapter 103D conveys a sense of disproportionate equity in the law's application.

The exemption language on page 2, line 14 and 15 of this bill should be deleted.

Thank you.



## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Twenty-seventh Legislature, State of Hawaii  
The Senate  
Committee on Human Services

Testimony by  
HGEA/AFSCME Local 152  
January 26, 2013

### **SB 87 – RELATING TO PUBLIC HOUSING**

The Hawaii Government Employees Association opposes SB 87.

This bill would give the Hawaii Public Housing Authority (HPHA) to contract with a corporation for management and other support services when the authority determines that they or another state agency is unable to efficiently and effectively perform these services.

HGEA opposes this language as it appears to give the Hawaii Public Housing Authority wide latitude and authority to contract out or privatize government services. How would the HPHA determine if they or another state agency can or cannot “efficiently and effectively” manage or carry out the services needed? How would “efficiency and effectiveness” be defined? Before a decision is made to contract out services, what kind of assessment would be used to quantify and measure the “efficiency and effectiveness” of the current level of service?

Unless it can be shown that civil servants have not and cannot provide certain services, we strongly believe the *Konno* decision regarding the privatization of government services would apply, that “services that have been ‘customarily and historically provided by civil servants’ cannot be privatized...”. For these reasons, we oppose SB 87.

Respectfully submitted,

Randy Perreira  
Executive Director