

SB 956

Measure Title: RELATING TO PUBLIC HOUSING.

Report Title: Hawaii Public Housing Authority; Public Housing; Procurement Code

Description: Exempts from the procurement code contracts made by the Hawaii public housing authority for security services furnished at any public housing project or complex.

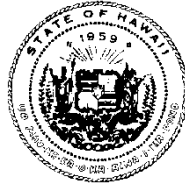
Companion:

Package: None

Current Referral: HMS/EGH, WAM

Introducer(s): KIM, Chun Oakland, Kahele, Kidani, Slom, Tokuda

NEIL ABERCROMBIE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

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DEPARTMENT OF HUMAN SERVICES
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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT, GOVERNMENT
OPERATIONS AND HOUSING AND HUMAN SERVICES**

February 6, 2013 3:00 P.M.
Room 016, Hawaii State Capitol

In consideration of
Senate Bill No. 956
Relating to Public Housing

Honorable Chairs and Members of the Senate Committees on Economic Development, Government Operations and Housing, and Human Services, thank you for the opportunity to provide you with comments regarding Senate Bill (S.B.) No. 956, relating to public housing.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, provided that its passage does not adversely impact priorities indicated in the Executive Biennium Budget. This bill would exempt the HPHA from Chapter 103D of the Hawaii Revised Statutes (HRS) in regards to contracts for security services furnished at any public housing project or complex, with amendments.

With 5,331 out of 6,195 units of the HPHA inventory being subsidized by the U.S. Department of Housing and Urban Development (HUD), the agency must follow Federal procurement law when contracting for services at these properties. Therefore, the HPHA respectfully requests that Section 1 of the bill be amended as follows:

“§356D- Procurement; exemptions. Contracts made by the authority for security services furnished at any state public housing project or complex shall be exempt from the requirements of chapter 103D.”

The HPHA also respectfully requests that Section 2 of the bill (Subsection (c) 3) be amended as follows:

“(3) The Hawaii public housing authority for security services furnished at any state public housing project or complex.”, as defined in section 356D-1.”

Another thing to note is that the HPHA currently receives \$1.5 million in general funds to pay for its existing security contractor services. In order to pay for a more capable security contractor that has extensive experience, the agency has estimated that it will need an increase of \$3 million total in general funds.

The HPHA appreciates the opportunity to provide the Senate Committees on Economic Development, Government Operations and Housing, and Human Services with the agency's position regarding S.B. No. 956. We respectfully request the Committees 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 COMMITTEES
ON
ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING
AND
HUMAN SERVICES

February 6, 2013

3:00 p.m.

SB 956

RELATING TO PUBLIC HOUSING.

Chair Dela Cruz, Chair Chun Oakland, Vice-Chair Slom, Vice-Chair Green, and members of the committees, thank you for the opportunity to submit testimony on SB 956. The State Procurement Office (SPO) opposes the amendment to exempt the Hawaii Public Housing Authority's (HPHA) security services contracts from the HRS chapter 103D, the Hawaii Public Procurement Code (Code).

As background on this issue, SPO worked with HPHA as far back as October 2010 regarding two procurement violations for security services at Puuwai Momi and Kamehameha Homes. At that time, HPHA was in the process of trying to better manage the various existing contracts, establishing a chronological list of contract expiration dates and creating a timetable to procure the various services needed prior to the contract's expiration date.

Most recently, on March 19, 2012 HPHA submitted an emergency procurement (Ref. EP12-040K) for security services at the Mayor Wright Homes due to several violent incidents. The request was initially disapproved as there was an existing security services contract in place during and after the criminal incidents. In response to the disapproval, a meeting between SPO and HPHA took place on April 25, 2012 in which HPHA further explained the seriousness of the situation and gave SPO the assurance that a new security services contract would be procured and executed with heightened security standards.

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On May 3, 2012, SPO received the request for reconsideration that provided addition information not previously stated in the initial request (Ref. EP12-040Ka1). The request was approved on May 7, 2012, for the period ending June 30, 2012. Subsequently, HPHA submitted additional requests to extend the heightened security services as they were still in the process of procuring and executing a new contract. The approval was granted on September 12, 2012 for the period ending September 30, 2012.

As previously noted, HPHA did have existing security services contracts for the various housing complex that were procured using the appropriate method of procurement. During the course of the events that have transpired, HPHA was made aware of the various options available through the Code and have a better understanding of what they need to do to timely procure the various level of security services needed for the public housing projects. SPO will continue to assist HPHA to procure the goods and services needed to maintain a safe environment for their public housing projects.

The Code should not be viewed as an obstacle to a purchasing agency's mission, but rather as the single source of public procurement policy to be applied equally and uniformly. 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 equity in the law's application.

The SPO opposes this bill and will continue to assist HPHA in applying the Code.
Thank you.