



STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING  
AND GENERAL SERVICES  
P.O. BOX 119  
HONOLULU, HAWAII 96810-0119

WRITTEN COMMENTS  
OF  
DEAN H. SEKI, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEE  
ON  
WAYS AND MEANS  
ON  
April 4, 2013

S.C.R. 92, S.D. 1 / S.R. 58, S.D. 1

REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE  
STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD  
INCREASE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND IMPARTIALITY  
IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION PROJECTS

Chair Ige and members of the Committee, thank you for the opportunity to submit written  
comments on S.C.R. 92, S.D. 1 / S.R. 58, S.D. 1.

The Department of Accounting and General Services (DAGS) supports S.C.R. 92, S.D. 1/  
S.R. 58, S.D. 1.

DAGS appreciates the opportunity to participate in the review of the state procurement  
code that may better promote economy, efficiency, effectiveness, and impartiality in the  
procurement of public works construction projects and will work collaboratively with the task  
force members.

Thank you for the opportunity to submit written comments on this matter.



**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

April 4, 2013

9:50 a.m.

SCR 92, SD1 / SR 58, SD1

REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD INCREASE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION PROJECTS.

Chair Ige, Vice-Chair Kidani, and committee members, thank you for the opportunity to provide comments on SCR 92, SD1 / SR 58, SD1. The resolution is proposing that the Comptroller establish a task force to study the cost impacts the procurement process has had for public works construction projects, and existing bid preferences in relation to promoting economy, efficiency, effectiveness, and impartiality in procurement for state and county governments.

For clarification of responsibilities, page 1, lines 17-19 should read, "WHEREAS, the ~~State Procurement Office~~ Procurement Policy Board adopts rules to implement the procurement law ....; the State Procurement Office provides coordination, review, analysis, implementation, and ...."

The State Procurement Office (SPO) supports this resolution to identify and propose amendments to statutes to benefit all affected parties .

Thank you.

NEIL ABERCROMBIE  
GOVERNOR



KATHRYN S. MATAYOSHI  
SUPERINTENDENT

STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804



**Date:** 04/04/2013

**Committee:** Senate Ways and Means

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Resolution:** SCR 092,SD1(sscr1217)/SR058,SD1(sscr1216) REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS CONSTRUCTION PROJECTS.

**Purpose of Resolution:** State Procurement Code; Identify Amendments

**Department's Position:**

The Department of Education (DOE) supports the intent of this resolution. The DOE agrees that the State Procurement Code should be periodically reviewed to improve efficiency and effectiveness and that, given the numerous issues that have arisen recently, this would be a fortuitous time to undertake such a review. The DOE looks forward to participating in this effort.

Thank you for this opportunity to testify.



**SCR92 SD1/SR58 SD1  
REQUESTING THE COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY  
THE STATE PROCUREMENT CODE AND IDENTIFY AMENDMENTS  
THAT WOULD INCREASE ECONOMY, EFFICIENCY, EFFECTIVENESS,  
AND IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS  
CONSTRUCTION PROJECTS**

Senate Committee on Ways and Means

April 4, 2013

9:50 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SCR92 SD1 and SR58 SD1, which call for the establishment of a task force, including OHA and other agencies, to identify amendments to improve the State's procurement process.

As an agency that conducts extensive procurement activities, OHA would welcome the opportunity to share our procurement experiences and to help shape improvements. The procurement process is indeed complex, with many detailed and demanding laws and regulations to follow. Perhaps we can work with all parties concerned to find the right regulatory balance to keep procurements moving along effectively and efficiently while fostering the desired competition. If this concurrent resolution is adopted, OHA looks forward to participating on the task force.

Mahalo for the opportunity to testify on this measure.

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# GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

April 4, 2013

TO: HONORABLE DAVID IGE, CHAIR, HONORABLE MICHELLE KIDANI,  
VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON WAYS  
AND MEANS

SUBJECT: **STRONG SUPPORT OF SCR 92, SD1 & SR58, SD1** REQUESTING THE  
COMPTROLLER TO ESTABLISH A TASK FORCE TO STUDY THE STATE  
PROCUREMENT CODE AND IDENTIFY AMENDMENTS THAT WOULD  
INCREASE THE ECONOMY, EFFICIENCY, EFFECTIVENESS, AND  
IMPARTIALITY IN THE PROCUREMENT OF PUBLIC WORKS  
CONSTRUCTION PROJECTS.

Hearing

DATE: Thursday, April 4, 2013  
TIME: 9:50 a.m.  
PLACE: Capitol Room 211

Dear Chair Ige, Vice Chair Kidani and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

**GCA is in strong support of SCR 92, SD1 and SR 58, SD1** requesting the Comptroller to establish a Task Force to Study the State Procurement Code and identify amendments that would increase and improve the economy, efficiency, effectiveness, and impartiality in the procurement of public works construction projects. In order to meet this goal, the GCA believes it is necessary that the government agencies may be best able to identify solutions necessary to improve the procurement process. The Resolutions will allow the government agencies the ability to solicit input from the construction industry stakeholders upon request.

In an effort to improve overall cost-efficiency of public works construction projects, this Resolution calls for the formation of a Task Force to identify ways in which the procurement code can be improved under Chapter 103D, Hawaii Revised Statutes (HRS). With the requested amendments above, the remaining government task force members will be tasked with identifying solutions to ensure that construction contracts are awarded fairly to the most qualified and responsible bidder, to alleviate delays and cancellation of construction projects, and to address the added cost to the agencies as well as Hawaii taxpayers.

The procurement process involves various methods for the purchase of goods and services, including but not limited to, Competitive Sealed bidding process, Multi-Step Invitations for Bids or other processes. Upon submission of bids, bidders have the right to protest to the agency first – within five working days of the posting of the award. Upon a bid protest to the respective agency, the agency will issue a decision as to the protesting party's accusations. During this period there will be a stay of procurement until the procuring officer has delivered its opinion as to the protest. Upon receipt of the procuring officer's decision, the protestor can accept the decision or appeal to the Department of Commerce and Consumer Affairs, Office of Administrative Hearings. These appeal procedures can result in lengthy delays and added costs when the contract is awarded. The expeditious award of construction contracts especially those that involve potential health and safety issues are paramount to a cost effective public procurement system.

**GCA is in strong support SCR 92, SD1 and SR 58, SD1 and its goal to improve efficiency in procurement, identify solutions, and overall save costs to the public and ensure projects go out on a timely and fair manner while stimulating the economy.** Accordingly, GCA respectfully requests that this Committee pass these Resolutions to provide a forum to address solutions to improve efficiency.

Thank you for the opportunity to provide our support of these Resolutions.