

NEIL ABERCROMBIE
GOVERNOR



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LATE

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**TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE
TO THE SENATE COMMITTEE
ON
AGRICULTURE**

March 11, 2014 2:45 P.M.

HB 737, HD2

**RELATING TO RELATING TO SPECIAL PURPOSE REVENUE BONDS
TO ASSIST AGRICULTURAL ENTERPRISES**

Chair Nishihara Vice-Chair Kouchi, and members of the committee, thank you for the opportunity to submit testimony on HB 737, HD2. The State Procurement Office (SPO) comments are limited to SECTION 1 which implies an exemption from HRS chapter 103D, Hawaii Public Procurement Code (Code), for contracts executed by the Department of Budget and Finance for agricultural enterprises.

The SPO opposes this exemption. The Code is the single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure and transparency in the procurement and contracting process vital to good government.

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.

Although an exempted agency may develop their own procurement source selection methods, it was the intent and goal of the legislature to have a single source of policy and procedures to ensure consistency and continuity in the application of the procurement process among government agencies throughout the State and counties. Additionally, a single source of procurement laws will be less burdensome for vendors, contractors and service providers to comprehend.

The SPO opposes the language on page 2, lines 18 and 20. Thank you.

Thank you.