

SB 2673

Increases the maximum procurement amount that is subject to small purchase procedures from \$25,000 to \$50,000.



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE
TO THE SENATE COMMITTEE
ON
ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING

February 3, 2014, 3:20 P.M.

SB 2673

RELATING TO PROCUREMENT

Chair Dela Cruz, Vice-Chair Slom, and members of the committee, thank you for the opportunity to submit testimony on SB2673.

The State Procurement Office (SPO) opposes increasing the minimum procurement amount that is subject to small purchase procedures from \$25,000 to \$50,000. The increase is not necessary or supported by purchasing trends. In FY 2012 and FY 2013, ninety-six percent (96%) of purchase orders issued (based on major object codes) was less than \$25,000, while the average purchasing card transaction (pCard) changed from \$362.00 to \$376.00. Increasing the threshold promotes unfair advantage to contractors contacted for quotes versus those who are not, limits competition, and circumvents transparency in procurement.

SPO recommends leaving the maximum procurement amount that is subject to small purchase procedures at \$25,000.

Thank you.



HAWAII ISLAND CONTRACTORS' ASSOCIATION

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Testimony to the Senate Committee on Economic Development, Government Operations and Housing

Monday, February 3, 2014

3:20 p.m.

Capitol Conference Room 016

RE: SB 2673, RELATING TO PROCUREMENT

Dear Chair Dela Cruz, Vice-Chair Slom, and members of the Committee,

The Hawaii Island Contractors Association strongly supports SB 2673, which proposes to increase the maximum procurement amount that is subject to small purchase procedures from \$25,000 to \$50,000.

Our Association feels that given the cost escalation of goods and services, this increase would give more flexibility to government agencies to better serve the general public.

For the preceding reasons, The Hawaii Island Contractors' Association strongly supports SB 2673.

Respectfully Submitted,

John E.K. Dill
Co-Chair, Legislative Committee, Hawaii Island Contractors' Assn.

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Testimony to the Senate Committee on Economic Development, Government Operations and Housing.

February 3rd, 2014

3:20 p.m.

Capitol, Room 016

Regarding: S.B.2673, Relating to Procurement-Small Purchase

Dear Chair Dela Cruz, Vice-Chair Slom, and members of the Committee:

Loeffler Construction, Inc. **strongly supports** S.B.2673 which proposes to Increase the maximum procurement amount that is subject to small purchase procedures from \$25,000 to \$50,000.

This will give our State and County Departments a lot more flexibility to streamline small purchases with efficiency.

Loeffler Construction, Inc. **strongly supports** SB 2673.

Thank you for the opportunity to share.

Sincerely,



Carolyn Loeffler