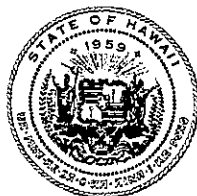


HB1127 HD1

RELATING TO PROCUREMENT.

Requires all procurement officers of state and county government bodies to attend initial training by the State Procurement Office and regular follow-up training as determined by the State Procurement Office. Appropriates funds. (HB1127 HD1)

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR

PAULA A. YOUNGLING
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
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<http://spo.hawaii.gov>

TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
GOVERNMENT OPERATIONS
MARCH 24, 2015, 1:25 P.M.

HB 1127 HD 1
PROCUREMENT OFFICERS; EDUCATION AND TRAINING
RELATING TO PROCUREMENT

Chair Dela Cruz, Vice-Chair Nishihara, and members of the committee, thank you for the opportunity to submit testimony on HB 1127 HD1. The State Procurement Office's (SPO) comments are that it must OPPOSE the bill to ensure procurement officers receive training unless adequate resources are also appropriated.

Training is the most important objective of SPO as it will address many of the issues facing procurement in the state of Hawaii. However, without adequate resources it is simply not possible to accomplish that goal in a meaningful fashion.

To be effective, procurement training must be provided to all personnel conducting or participating in procurement and the training must be targeted to their role. Most departments do not centralize their procurement function resulting in hundreds of personnel who conduct or participate in procurements each year. Hawaii has neither a learning management system nor positions dedicated exclusively to procurement training. Our current training attendance database reflects over **8,000 individuals** who have taken training since 2006. SPO has no way of knowing who is active or has conducted procurement and estimates that currently **at least 2,000 staff** participate in or conduct procurement activities across the state.

To make implementation feasible, SPO must have resources to include 1) positions for a SPO training section, and 2) a complete Learning Management System (LMS) including authoring abilities to provide modules tailored to specific needs, a testing function for feedback to users and supervisors as to knowledge acquired, and reporting functions including attendance, test results and progress. A learning management system would enable provision of timely training, on-demand with efficient use of resources as travel is not required and timing of training does not need to be coordinated. The SPO has a Six-Phase Training Plan to develop an Acquisition Academy to meet our statewide procurement needs. (See attached).

At the outset, a Training Manager position is required along with funds for a learning management system that has basic functionality for automated registration and access to training as well as a test and certification module. An initial outlay of \$150,000 would provide for a functional learning system and one

staff to begin the development and implementation for the Executive Branch. This base level of functionality can be maintained (FTE and system) at approximately \$120,000 per year thereafter.

Thank you.

Attachment

**Acquisition Academy and
Center for Excellence
Building Procurement Capacity for the State of Hawaii**

Executive Summary

Procurement in Hawaii has been deeply affected by two factors in the last five to ten years: loss of existing knowledgebase and increasingly complex changes in procurement. Hawaii needs to catch up.

Temporary cuts in benefits, inability to hire new staff and the high volume of retiring Baby Boomers, have led to a huge loss in the knowledgebase. This loss has been exacerbated by lack of experience opportunities for newer personnel.

The field of Procurement or Acquisition¹ has undergone considerable change in the last few years. This is attributable to a number of factors including the necessity to research and implement strategies to realize cost savings due to an austere economy and advances in the use of technology and ability to collect and analyze data. Even the manner in which procurement is perceived has changed. It has become a high level strategic function rather than a lower level process function.

Hawaii needs to catch up with the new technology in procurement, in some ways perhaps more than other states. What and how the state purchases has great impact on our economy. We need to make the most of what we have. For Hawaii to catch up we need training and development of our procurement workforce across the state. We also need to be an incubator of Acquisition innovation and leverage these cutting edge ideas to enhance the overall business environment and economic growth of Hawaii.

Therefore, SPO is proposing the development of a Training Division within SPO to establish and implement the Acquisition Academy and Center for Excellence ('the Academy'). The training division will consist of a Training and Development Director and three Training and Development Officers with expertise/experience in both training and Acquisition/procurement. The Academy will serve as 1) a vehicle where formal procurement delegation training can be obtained on-demand, any time, throughout the state 2) a vehicle for training vendors and small businesses on how to do business with the state 3) a receptacle of forms, templates, whitepapers and most importantly, best practices, 4) a coaching program for a core of 'departmental super-users' to develop a higher level of expertise at the department level; 5) a professional community for stakeholders in procurement /acquisition to collaborate and consult, and 6) a procurement innovation incubator community.

¹ Purchasing, procurement, solicitation, and acquisition are synonymous terms for the purpose of this report, and are used to obtain goods and services and construction. Purchasing and procurement tend to imply a limited area of the Acquisition life-cycle. Acquisition talks to a mature procurement system and encompasses the entire lifecycle from planning for an acquisition to contract end. SPO's intent and focus is on the Acquisition life-cycle.

The Issues

There is a need for training that is immediate, flexible and available across the state.

- **Loss of Knowledge**

As the state slowly emerges from the economic downturn of the last few years we find most state agencies with too few staff tasked with too many duties compounded by too few resources. State of Hawaii procurement has had difficulty keeping up with the changes due to the retirements of Baby Boomers, but also a scarcity of resources including the cost of attending training on the mainland.

- **Procurement is Changing**

There have been changes in procurement largely due to technology both in how and what we buy, as well as a greater alignment of procurement to high-level strategy. While we may have subject matter experts in technology, those experts are often not familiar with the issues in purchasing technology such as intellectual property and rights to data. There is a surge in large complex IT procurements. This requires technical experts in the area of technology. It also requires expertise in the area of technology acquisition, something Hawaii does not have and pays dearly for in consulting costs. This affects not just the procurement but the long-term as well, issues such as intellectual property, who owns the data, access to and ownership of code, customization issues, etc. must be determined prior to contracting and when not addressed prior to contract execution, can contribute to project failure.



<http://blog.cultureamp.com/what-it-takes-to-be-an-agile-hr-org/>

Procurement is becoming more complex and the contract methodologies need to change to fit the times. No longer can the state solely rely on Firm Fixed Priced contracts. We must look at hybrid types, requirement contracts that can cover surge, incentive contracts that can offer better efficiencies and savings, and smarter state-wide contracts that give us what we need quicker. Very few procurement professionals are even aware of these options, with less having ever actioned on these options from lack of training.

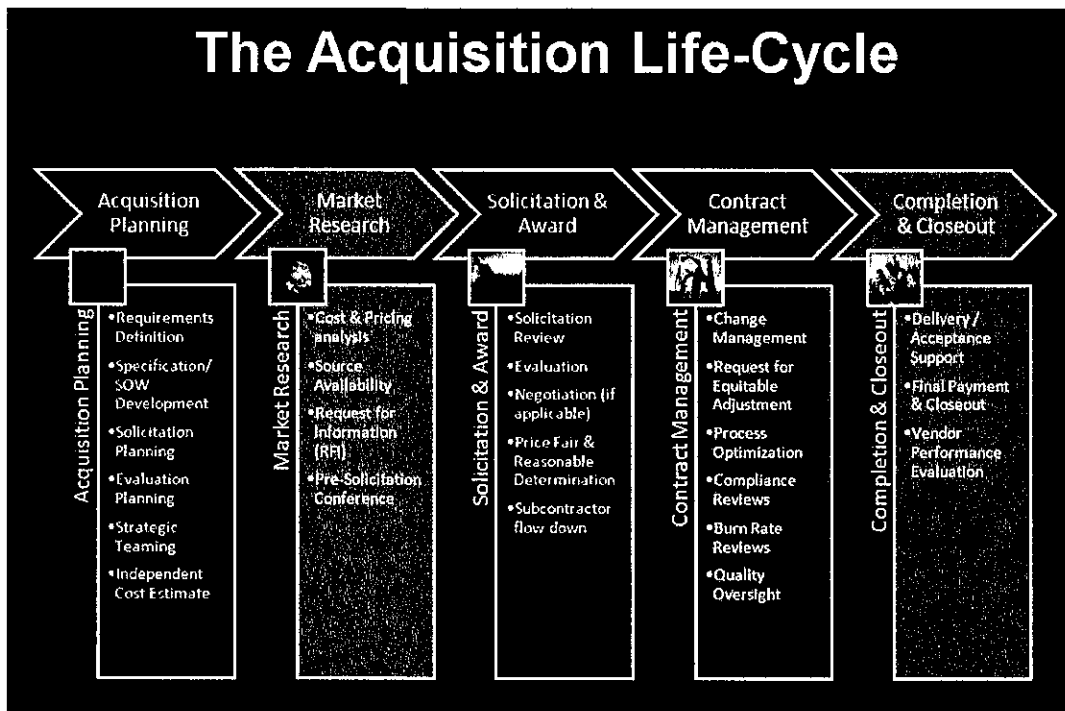
- **Procurement is Not Just about Following the Rules**

In Hawaii procurement has traditionally been viewed as a clerical duty. That may have been true when purchases were for paper clips and office supplies. For the larger and more complex procurements of today, Acquisition requires a number of

skills. Procurement is not simply about compliance (not violating statutes) but also about having a good Acquisition Strategy to lead to purchases that are the best return on investment. This requires skills in planning, research, analysis, accounting, legal issues, communication (oral and written), statistics, leadership, negotiation, economics, change management, conflict resolution and at least a basic knowledge of IT.

- **A unified terminology must be developed for roles in Acquisition.**

The Academy will educate on the entire Acquisition Lifecycle, from planning strategy and market research to contract management, administration and closeout. This requires a clear definition of the roles individuals play in procurement, and how they work together (such as procurement officer, procurement specialist, contracts officer, contract administrator, program manager). Currently, each department/division/office may utilize their own terminology and at best, roles are unclear.



- **Changes in the Nature of Procurements; Increase in Complexity and Risk**

The state has seen considerable change in the goods, services and construction it must obtain. Purchasing is largely about technology and requires an additional knowledge and skill set. Cost of training is high, doubled by the cost of traveling to the mainland to attend the training. A recent training for IT acquisition was listed as \$5,000 just for the entrance fee. Added to the cost of travel for all personnel needing the training, this could exceed the cost of hiring training staff. The increase in complexity of what we buy has also necessitated a fundamental change not only

in the qualifications needed for those who procure but also in how we purchase and subsequently manage our purchases. The trend is to buy performance results rather than goods and services. Buying results means better management and administration of contracts, an area that has not received sufficient focus in the past from both a training as well as strategic perspective.

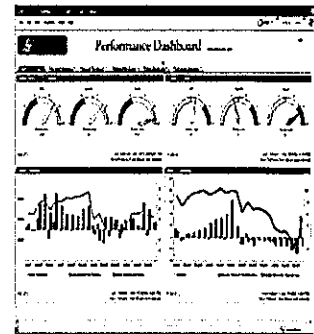
- **Taking Advantage of Current Innovation in Procurement Requires Training**

Innovations in procurement including such things supply chain analysis, advances in strategic sourcing and Public-Private partnerships (P3) require additional expertise for appropriate and effective application.

- **The Ability to Collect and Analyze Data Makes Strategic Sourcing a Valuable Tool for Realizing Cost Savings**

SPO Acquisition personnel need training to be on the cutting edge of the Acquisition lifecycle and particularly strategic sourcing strategies as they maximize cost savings. SPO personnel need skills in advanced analysis of our spend and return on investment (ROI).

There is an even larger issue for Hawaii as analysis and control of our supplier base, the vendors from which we purchase from, directly impacts our economy and its health.



- **Decentralization Makes it Difficult to Train and Uses More Resources**

Of the 21 Chief Procurement Officers (CPOs), only the Administrator of SPO has the primary duty of purchasing and a requirement of experience in Acquisition. Acquisition/Procurement is decentralized even within the Executive Branch. Some years ago, budget cuts decreased the number of SPO staff forcing delegation to departments. Departments, in turn delegated to the staff/program needing the goods, services or construction resulting hundreds of personnel who may only make one purchase each year. The SPO has trained over 7,800 staff to conduct or participate in procurement just for the Executive Branch under the Jurisdiction for the SPO Administrator. There is currently no reliable process in place to know how many of those trained or delegated have actually participated in procurement or are even still with the department.

The statewide investment of resources, the many hours of training required of individuals to conduct a single acquisition is often lost as the individual conducting the procurement moves on to another position and different staff must attend training the subsequent year, learn procurement and conduct the same or similar procurement, often without the benefit of past experience.

- **The Process of Training and Staff Development is Changing**

Training needs to be able to meet multiple needs for individuals at different skill levels who learn in different ways. Training must be must be accessible, on-demand

and easily adapted. We have many personnel relatively new to Acquisition. Others may be somewhat knowledgeable but have not had the opportunity to participate in many acquisitions and lack experience. Others are fairly experienced and may need to expand their knowledge into the newer trends and more complex acquisitions. Reports state that Gen X and Gen Y are not interested in pensions as much as they are interested in opportunities for development and to make a difference. They learn differently as well, preferring online self-paced training. We need to have quality training available as needed. It needs to be updated with the most current information, trends and procedures on a frequent basis.



The Need

The State Needs Acquisition Professionals Who Can Meet the Needs of Larger, More Complex Acquisitions.

While we could rely on consultant contracts to assist with the more complex acquisitions and slowly gain knowledge in these areas by observation, it is far more efficient and less costly for the state to develop our own Acquisition Professionals with expertise beyond knowledge of statutes and rules. As these issues in Acquisition change, training must be available that can be adapted and made available on short notice. Lastly, we must have the ability to efficiently manage data on users to ensure quick and proper delegation authority. It is incumbent upon the state to recognize the role of Acquisition as a strategic one, including all parts of the Acquisition lifecycle and clearly identifying those who are equipped to conduct procurement and their roles. In doing so, we must be able to manage and report on Acquisition personnel training data 'on the fly', that is, in an efficient and continual manner.

A Learning Management System (LMS) is a first step and a relatively inexpensive tool that can help begin to meet the need for immediacy and expedite the data-keeping and reporting procedures. Extreme decentralization has also led to limited expertise at the department level. There is a need to have a higher level of Acquisition expertise at the departmental level even if procurement is not centralized within it. In part due to mass retirements, it is difficult to find and hire new Acquisition personnel. To develop our pool of Acquisition professionals, the Academy should partner with colleges and universities to develop an Acquisition Internship Program. The interns will work in Acquisition while attending college providing a benefit for both the interns and the state., who will have an edge in being hired because they will have experience and the state as it will have labor and will have a hand in training to its needs.

Description



The SPO Training Division and The Acquisition Academy and Center for Excellence ('The Academy') will be built in six stages as to allocate cost to an attainable level.

In its initial stages, the Academy will be a vehicle where training can be obtained for all levels of procurement throughout the state by all state and county personnel. This will require acquisition of a Learning Management System for all State employees and subsequent implementation. Initially, the Learning Management System will be used to deliver existing training. As it is developed, however, more engaging and interactive training including testing modules will be introduced. Initially, testing will initially be for the purposes of attendee information and feedback. Ultimately however, certain core courses will require a passing grade on testing before an individual is delegated procurement authority and able to conduct an acquisition.

A component for training vendors and potential vendors on doing business with the state will be further developed. As the Academy develops resources, specialized areas will be addressed such as the challenges nonprofits or small business must overcome in doing business with the state.

As the Academy continues its development, it will also become a clearinghouse of templates, forms and best practices. Documents and templates, exemplary examples items such as market research, specifications, statements of work, and evaluation criteria will be added and categorized.

For a more efficient use of resources, a corps of 'Acquisition Super-Users' will be developed including personnel from each department. These personnel will participate in advanced training, become part of a coaching program and a train-the-trainer model. This will enable departments with limited resources to centralize their more complex procurements and have a resource within the department for issues requiring a moderate level of expertise.

An internship program in partnership with local colleges and universities will enable the next generation of state employees to garner experience prior to entering the workforce. This will give students an edge in being hired when entering the workforce. The state will receive labor and will be able to partner with the colleges/universities and students in developing training that meets the needs of the state. As the internship program expands, interns may be deployed to departments to assist with acquisitions.

A Professional Community will be developed to discuss issues, develop Acquisition professionals and for collaboration with stakeholders. This will include use of social media and periodic in-person meetings. In advanced stages of development,

the Academy will serve the state as an Acquisition Innovation incubator community. The first project will be to plan and implement a tracking system that will have views for vendors, the public and state personnel to follow solicitations from planning through solicitation and award to contract closeout.

Acquisition conferences will be held every four years to showcase ideas and best practices, and provide opportunities for vendors and government personnel to meet and network.

The Six Stage Plan

Stage 1

- Create SPO Training Division - Statewide Acquisition Academy & Center of Excellence
- Create 1 position- Training and Development Director
- Obtain materials and training for SPO staff in the most current procurement trends and procedures, including IT procurement and intellectual property,
- Procure for Learning Management System (LMS) -full or interim (funding and ERP implementation-dependant) and begin implementation
- Establish clear definitions of roles in procurement
- Begin moving existing training to the LMS
- Begin basic training on acquisition life cycle statewide for procurement staff
- Begin developing testing component for existing training for verification of learning by users and for analysis for modification of training
- Create Reference Library Structure and begin moving materials

Stage 2

- Hire Training and Development Director if not already done so
- Develop procedures for incorporating testing requirement and passing to receive credit for taking training courses
- Complete moving all existing training into LMS
- Develop course in acquisition planning

- Continue developing testing component for core courses
- Continue building reference library
- Begin visiting departments to assess procurement training needs and identifying potential super-users
- Begin updating existing training with newer interactive format
- Develop course in Contract Management

Stage 3

- Hire first Training & Development Officer (total staff 2)
- Implement course in Contract Management
- Develop and implement course in market research
- Develop 1st advanced course for super-users.
- Begin implementation of metrics to measure effectiveness of training
- Begin Coaching and Train-the-Trainer programs
- Continue updating older training with more interactive format
- Continue visiting departments to assess procurement training needs
- Add new training in needed areas.
- Begin development of blended learning
- Full Resource Library and Best Practices
- Complete implementation of testing for core procurement courses
- Develop Intro to Price Analysis course

Stage 4

- Complete updating older training to newer interactive formats with testing.
- Implement Intro to Price Analysis course
- Develop Intro to Cost Analysis course
- Develop Contract Administration course
- Develop advanced courses in Acquisition Planning, Contract Management
- Full-blown blended learning programs, encompassing scheduled courses, webinars, on-demand interactive training and in-person

- Modify training based on department needs
- Begin metrics reporting on effectiveness of training programs
- Expand coaching and train the trainer programs
- Develop certification program
- Develop online community to discuss issues and attract talent
- Begin planning for first Acquisition Conference
- Continue adding new training

Stage 5

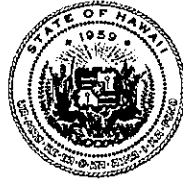
- Implement Certification Program
- Implement Intro to Cost Analysis course
- Revisit departments to assess progress and needs and provide technical assistance
- Modify training based on department needs
- Continue planning for first Acquisition Conference
- Expand Coaching Program
- Continue metrics analysis and reporting
- Continue adding new training based on needs
- Hold first meeting of professional acquisition community
- Begin planning for internship program

Stage 6

- Hold first Acquisition Conference
- Implement Internship program
- Begin first acquisition innovation incubator project, a solicitation and contract tracker for the public, vendors and agency personnel
- Assess metrics collected for training
- Develop and implement advanced course in Price Analysis
- Develop and implement advanced course in Cost Analysis
- Finish planning and implement Internship Program

- Develop metrics to assess coaching program

DAVID Y. IGE
GOVERNOR



FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

March 24, 2015
1:25 p.m.
State Capitol, Room 414

**H.B. 1127, H.D. 1
RELATING TO PROCUREMENT**

Senate Committee on Government Operations

The Department of Transportation (DOT) **supports** the intent of this bill which proposes to require every government employee with delegated procurement authority to attend initial training by the state procurement office and regular follow-up training as determined by the state procurement office.

H.B. 1127, H.D. 1 adds the requirement of providing a list of employees with delegated procurement authority to the state procurement office for reporting, therefore the following revision is proposed, § 103D-110 (a) all procurement officers, including those employees with delegated procurement authority..."

Requiring the same training for all government procurement officers and employees with delegated procurement authority may help with the consistent application of the procurement code among government procuring agencies.

Thank you for the opportunity to provide testimony.

Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 348-8885

March 23, 2015

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Clarence K. Nishihara, Vice Chair
and members
Senate Committee on Government Operations
Hawai'i State Capitol
Honolulu, HI 96813

Dear Chair Dela Cruz, Vice Chair Nishihara, and members:

The Hawai'i Construction Alliance **supports the intent** of HB1127 HD1, relating to procurement.

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

HB1127 HD1 would require every government procurement officer to attend initial training by the State Procurement Office and regular follow-up training as determined by the State Procurement Office. Such training would help to ensure consistent application of the procurement code across various procuring agencies.

Mahalo for the opportunity to provide these comments.

Aloha,



Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiconstructionalliance.org



**Testimony to the Senate Committee on Government Operations
Senator Donovan M. Dela Cruz, Chair
Senator Clarence K. Nishihara, Vice Chair
Tuesday, March 24, 2015 at 1:25 p.m.
Conference Room 414
HB 1127 HD 1 - Relating to Procurement**

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

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I would like to offer our comments in **support of HB 1127 HD 1**, which requires all procurement officers of state and county government bodies to attend initial training by the State Procurement Office and regular follow-up training.

Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Our member organizations provide essential services to every community in the state.

HANO was part of the SCR 40 Government Contracting Task Force which began in 2011 (as the "Prompt Payment Task Force") and concluded in early 2014. This task force studied various issues relating to 103F (health and human services) contracts with nonprofit providers, from initial planning to service delivery and payment. One of the task force's findings was the "varying levels of understanding of the 103F policies, procedures and processes for both Departments and vendors, which results in confusion, inconsistencies and/or delays" (Final Report, p. 3). One recommendation was to provide training: "Procurement training should be expanded to include on-demand web-based interactive training to the Departments and vendors. The goal of the training is to educate the Departments and vendors on procurement and contracting as they are lateral processes. This will increase awareness, and help avoid confusion, frustration and perceived late payments" (Final Report, p. 5-6).

In sum, we believe that procurement training is an important step to making our contracting processes more effective and efficient, so that government and nonprofits can better serve our communities.

Thank you for the opportunity to provide testimony.

Mahalo,
Nikki Love Kingman
Public Policy Director



Email: communications@ulupono.com

SENATE COMMITTEE ON GOVERNMENT OPERATIONS
Tuesday, March 24, 2015 — 1:25 p.m. — Room 414

Ulupono Initiative Strongly Supports HB 1127 HD 1, Relating to Procurement

Dear Chair Dela Cruz, Vice Chair Nishihara, and Members of the Committee:

My name is Brandon Lee and I am a policy and public-private partnership associate of the Ulupono Initiative, a Hawai'i-based impact investment company that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase clean, renewable energy, and waste reduction. We believe that self-sufficiency is essential to our future prosperity, and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono strongly supports HB 1127 HD 1, which requires every state procurement officer to attend initial training by the State Procurement Office and regular follow-up training, because it aligns with our goal of providing more locally produced food.

Procurement is one of the major areas where local farmers can obtain large volumes of sales and ultimately grow their businesses. Yet, to increase local food purchases in government, we need the procurement process to be transparent, efficient, and easy to navigate across departments.

Currently, there are 20+ differing departments with differing procurement processes and criteria. Since different departments have different procurement needs, flexibility is important but standardization is ideal for accountability, consistency, setting an overall mandate by the Legislature and Governor, and easier for applicants to navigate. In the current system, each department's procurement process can run differently from other departments. Furthermore, in a case such as the school food program, inconsistent procurement processes could eventually lead to the removal of tens of millions of dollars in federal funding, which the State would then be forced to cover alongside raising school lunch prices, which would affect every public school parent in Hawai'i.

The State Procurement Office should be the lead agency that is in charge of overall procurement matters. As the expert in procurement rules, they can ensure the process is fair and transparent, able to hold its awardees accountable, and minimize the liability when something goes wrong. Therefore, it is imperative that the State Procurement Office is

Investing in a Sustainable Hawai'i

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allowed to train their procurement officers across departments on standardized processes, if not there could be potentially 20+ different sets of rules, which makes accountability, management, and tracking extremely difficult.

Over the last 15 years of data, it appears, the State has spent ~\$26.4 billion in procurement contracts. This figure is also grossly low because better data about procurement contracts exist in latter years.

While funding for training is challenging given the State's fiscal situation, with the billions of dollars that the State spends on procurement, they should be better able to work together across departments with the State Procurement Office as the lead.

Thank you for this opportunity to testify.

Respectfully,

Brandon Lee
Policy and Public-Private Partnership Associate

HAWAII OPERATING ENGINEERS
INDUSTRY STABILIZATION FUND



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*Uniting our strength and working together
for a better tomorrow*

March 23, 2012

Honorable Donovan M. Dela Cruz, Chair
Honorable Clarence Nishihara, Vice Chair
And Members of the Committee on Government Operations
415 South Beretania Street, Room 202
Honolulu, HI 96813

RE: Support of HB 1127, HD1 – Relating to Procurement

My name is Kimberly Ribellia, Government Liaison, of the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF), a labor management fund representing 4000 unionized members in heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction.

HOEISF supports House Bill 1127, HD1 which requires all procurement officers of state and county government bodies to attend initial training by the State Procurement Office and regular follow-up training as determined by the State Procurement Office. The bill also appropriates funds.

HOIESF supports any and all opportunities for training that can be provided to procuring officers. It is very important that all procuring agencies follow that same procedures and are consistent in the interpretation and application of procurement rules and laws.

Thank you for this opportunity to testify in this matter.

Sincerely,

A handwritten signature in black ink that reads "Kimberly Ribellia".

Kimberly Ribellia
Government Liaison
HOEISF

BIA-HAWAII

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Testimony to the Senate Committee on Government Operations Tuesday, March 24, 2015

1:25 p.m.

Hawaii State Capitol - Conference Room 414

RE: H.B. 1127, H.D. 1, RELATING TO PROCUREMENT

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

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports the intent** of H.B. 1127, H.D. 1, which would require all procurement officers of state and county government bodies to attend initial training by the State Procurement Office (SPO) and regular follow-up training as determined by the State Procurement Office and appropriates funds.

Currently, differences in the procurement process from one agency to the next is a large cause of uncertainty for contractors looking to bid on public works. Both private industry and government would benefit from a more standardized and efficient procurement process. By requiring an initial as well as follow-up training of all procurement officials, we believe procurement officials will be better equipped to prevent costly mistakes and unintended consequences of certain procurement practices. Furthermore, regular training sessions provide professionals the opportunity to share best practices and learn from each other's experiences cultivating innovation and efficiency.

Thank you for the opportunity to express our views on this matter.