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TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE  
  
TO THE SENATE COMMITTEE  
ON  
WAYS AND MEANS

Thursday, March 29, 2018, 10:50 a.m.

HOUSE BILL 1669, HD1 SD 1  
RELATING TO CONCESSIONS ON PUBLIC PROPERTY

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1669, HD1, SD 1. The State Procurement Office (SPO) **supports** the intent of this bill, which allows proposals to be submitted for concessions on public property, and especially the requirement for procurement officers and procurement personnel to adhere to the State's requirements of ethical public procurement.

The SPO encourages the use of "best value" process, aka Request for Proposals (RFP), when awarding concession contracts. "Best value" can be described as: a comparison of costs and benefits. Compare all the benefits from what you get and how you use it, against your costs to purchase, use, and perhaps dispose of it. Other terms to characterize best value comparisons are strengths and weaknesses, pros and cons, risks and rewards.

Value is a combination of "what" is important and "how much" it is important. As for the "what," typical procurement considerations affecting value include:

- Consistency, reliability, and responsiveness from suppliers.
- Meeting preferences favoring veterans, minority-owned, women-owned or small businesses, local purchasing, etc.
- All costs identified through a life-cycle cost analysis.
- Reduction of risks such as schedule delays; degradation of performance or service from an outsourced provider; potential legal or financial risks; the need for government oversight of program delivery; the amount of needed contract

administration effort; or the likelihood of successful/unsuccessful contract performance.

- Environmentally preferable aspects (more efficient scheduling leading to less shipping impact, lower toxic materials content, less environmentally harmful manufacturing, less harmful end of life disposal, etc.).
- Just-in-time ordering/shipping to avoid storage costs.
- Contracting out to eliminate internal resource costs or to achieve better results for the same overall price.

Thank You.

The information on “Best Value” can be found from an NIGP white paper, found at

[https://www.nigp.org/docs/default-source/New-Site/position-papers/150105\\_best-value\\_position-paper-complete\\_updated.pdf?sfvrsn=4](https://www.nigp.org/docs/default-source/New-Site/position-papers/150105_best-value_position-paper-complete_updated.pdf?sfvrsn=4)