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**SB1208**

Submitted on: 2/12/2017

Testimony for AEN/WTL on Feb 13, 2017 14:45PM in Conference Room 224

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Z. Arakawa	Land Use Research Foundation of Hawaii	Support	No

Comments:

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SB 1208, Relating to Agriculture  
Senate AEN/WTL Committee  
Monday, February 13, 2017  
2:45 pm  
Conference Room 224

Testimony by: Larry Jeffs  
Position: Support

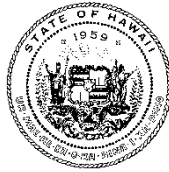
Chairs Gabbard and Rhoads, and Members of the Senate AEN/WTL Committee:

I am Larry Jeffs, owner and operator of Larry Jeffs Farms, LLC, which is part of our family-run business of farms on Oahu and Molokai, under the administrative umbrella of Sugarland Growers, Inc. We have more than 35 years of Hawaii farm experience on Molokai and Oahu. I am a volunteer director for the West Oahu Soil and Water Conservation District (SWCD).

The acquisition of large tracts of former privately owned agricultural lands will preserve in perpetuity these lands for agricultural production. It will stop the bleed of former agricultural lands to commercial development and housing.

Thank you for the opportunity to present testimony

DAVID Y. IGE  
GOVERNOR



SARAH ALLEN  
ADMINISTRATOR  
MARA SMITH  
ASSISTANT ADMINISTRATOR

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TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE  
  
TO THE SENATE COMMITTEES  
ON  
AGRICULTURE AND ENVIRONMENT  
AND  
WATER AND LAND  
February 13, 2017, 2:45 p.m.  
  
SENATE BILL 1208  
RELATING TO AGRICULTURE

Chairs Gabbard and Rhoads, Vice-Chairs Riviere and Gabbard, and members of the committees, thank you for the opportunity to submit testimony on Senate Bill 1208.

*The SPO has no comment on the intent of the bill but opposes the language in Section 2 on page 3, lines 17 through 20 stating:*

“...No expenditure, use, or transfer of funds from the agribusiness land and facilities special fund by the corporation shall be subject to chapter 42F or 103D...”

The Hawaii Public Procurement Code (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 equality in the law's application.

Exemptions to the code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials state: "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies or programs, are removed from the state's procurement code it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices.

Relieving some programs from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.



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**LATE**

February 13, 2017

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT  
SENATE COMMITTEE ON WATER AND LAND

**TESTIMONY ON SB 1208**  
RELATING TO AGRICULTURE

Room 224  
2:45 PM

Aloha Chairs Gabbard and Rhoads, Vice Chair Riviere, and Members of the Committees:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

**HFB supports SB 1208**, which establishes the agribusiness land and facilities special fund to acquire, lease, manage, and operate large tracts of former agricultural land in the State for purposes of agricultural economic development.

HFB believes that in order for agriculture to flourish in Hawaii and reach their full potential, land availability and long-term leases at affordable and predictable lease rental rates are critical. The acquisition by the state of agricultural lands will significantly increase the available agricultural land under the State's control and will provide farmers with long-term leases that will enhance the economic viability of Hawaii's agriculture industry.

We believe this is an opportunity to further support and expand the state's ability to provide agricultural lands for farmers, which is consistent with the State's goal of increasing self sufficiency and sustainability.

Thank you for the opportunity to provide testimony on this measure.