

DAVID Y. IGE
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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES
ON
HOUSING
AND
GOVERNMENT OPERATIONS

February 4, 2020, 1:15 P.M

SB2035
RELATING TO PROCUREMENT

Chairs Chang and Thielen, Vice Chairs Kanuha and Inouye, and members of the committees, thank you for the opportunity to submit testimony on SB2035. The State Procurement Office (SPO) opposes this bill as public land transfer and leases are a part of Public Lands pursuant to Chapter 171, HRS, which also calls the solicitation, a Request for Proposal (RFP). The SPO opposes the bill's language, in its entirety, as it does not belong in 103D, Hawaii Revised Statutes.

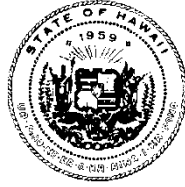
Notwithstanding the above, the Legislature could be perceived as over-reaching its authority over the day-to-day decision-making of the Executive Branch. It is not best practice to determine the evaluation score criteria without any market research or an acquisition strategy plan or an understanding of the total scope of need. Each procurement is individual and unique to the requirements for that procurement.

The purpose of evaluation criteria is to select the most advantageous bids or proposals which best meets the requirements and offer the best value for that procurement.

Without any market research or data it is hard to justify an evaluation score of forty percent, regardless of whether the development of housing is proposed. Therefore, making a hard number requirement will be detrimental to the overall procurement process.

Thank you.

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
INTERIM EXECUTIVE DIRECTOR

STATE OF HAWAII

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IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON GOVERNMENT OPERATIONS
SENATE COMMITTEE ON HOUSING

February 4, 2020 at 1:15 p.m.
State Capitol, Room 225

In consideration of
S.B. 2035
RELATING TO PROCUREMENT.

HHFDC opposes S.B. 2035, a bill that amends Chapter 103D, HRS to cover the redevelopment of State or county lands, and imposes a requirement that the number of housing units proposed to be developed constitute 40 percent of any evaluation scoring of a Bidding Opportunity or Request for Proposals for said redevelopment.

It is HHFDC's understanding that Chapter 103D, HRS is limited to procurement contracts, and does not cover land development agreements undertaken by HHFDC or the counties for the purpose of carrying out Chapter 201H, HRS, the essence of which is a real estate transaction. Subjecting the development of land to the requirements of the Hawaii Public Procurement Code would hinder the development of affordable housing.

Thank you for the opportunity to testify.