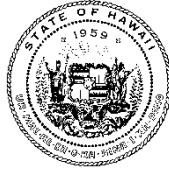


DAVID Y. IGE
GOVERNOR



SARAH ALLEN
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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
GOVERNMENT OPERATIONS
January 30, 2020; 2:45 p.m.

SB2840
RELATING TO PROCUREMENT

Chair Thielen, Vice-Chair Inouye, and members of the committee, thank you for the opportunity to submit testimony on SB2840. The State Procurement Office strongly supports this bill.

The last several years has shown multiple challenges in construction procurement and infrastructure needs, to include the lack of planning and funding for repairs and maintenance of infrastructure. In an effort to support siloed agencies in achieving best value through innovative construction procurement, the idea of the Construction Innovative Procurement shop was devised to enable better management of policy, training and assistance to counties and agencies state-wide.

This pilot program would create the necessary conduit between the SPO and the day-to-day activities of construction procurement, giving SPO better visibility to enable value-added policy and guidance. Agencies will; 1) have access to specialists who can help state-wide agencies with their innovate project delivery, 2) reduce the overall risk of failure, and 3) assure benefits have been weighed against a value for money formula which includes factors such as cultural, environmental and community benefits.

SPO requests the following amendments to the current Bill:

1. Amend the language on Page 1, Section 2, line 13 to a 10-year pilot program. This is a more realistic time frame in order to be able to achieve actionable metrics since large multi-million dollar innovative projects typically take 3-5 years to complete.

2. Amend the language on Page 3, Section 4, line 20. Submitting a report to Legislature every six months is a redundant task that will not be value-added. Request amendment of reporting responsibility to every two years.

3. Amend the language on Page 4, Section 5, Line 5. Change the title of the exempt position from coordinator to "officer" or "division chief". This position is expected to contain the authority to negotiate complex agreements in the millions, the authority to be able to bring siloed agencies together for more consistent construction policy and the authority to develop workable policy that buyers will buy into. For those reasons, we should give this position a title of authority.

Thank you.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE SENATE COMMITTEE ON
GOVERNMENT OPERATIONS

THURSDAY, JANUARY 30, 2020, 2:45 P.M.
CONFERENCE ROOM 225, STATE CAPITOL

S.B. 2840

RELATING TO PROCUREMENT.

Chair Thielen, Vice Chair Inouye, and members of the Committee, thank you for the opportunity to submit testimony on S.B. 2840.

The Department of Accounting and General Services (DAGS) supports this bill and recommends the following amendments.

The DAGS recommends that the three-year pilot be amended to a ten-year pilot. A ten-year pilot would be more realistic for the DAGS and State Procurement Office goal of completing two projects during the pilot. The average multi-million-dollar public private partnership is complex and requires an average of three to five years to complete. Extending the pilot to ten years would allow for two projects to be completed consecutively.

The DAGS also recommends that the biannual reporting be changed to biennial reporting. Due to the complexity and duration of multi-million-dollar public private partnerships, a biannual report would not be productive and would be a waste of taxpayer dollars. A biennial report would provide more meaningful reporting and maximize taxpayer dollars.

Thank you for the opportunity to submit testimony on this matter.