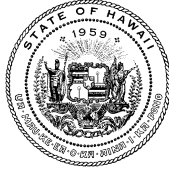


DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

LATE

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

TUESDAY, FEBRUARY 4, 2020, 2:50 P.M.
CONFERENCE ROOM 225, STATE CAPITOL

S.B. 3015

RELATING TO PROCUREMENT

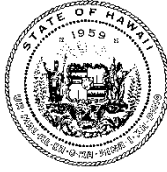
Chair Thielen, Vice Chair Inouye, and members of the Committee, thank you for the opportunity to submit testimony on S.B. 3015.

The Department of Accounting and General Services (DAGS) supports this bill to make an appropriation to DAGS Public Works Division to support a pilot project for the purposes of funding, training, development and consulting services for innovative project delivery.

The development and implementation of innovative project delivery methods will promote procurement efficiency, program success and government accountability. The DAGS plans support the achievement of these goals through providing staff with up-to-date training and development. In addition, the hiring of subject matter experts will add years of knowledge and expertise to the team.

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

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
BONNIE KAHAKUI
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
GOVERNMENT OPERATIONS
February 4, 2020; 2:50 p.m.

SB3015
RELATING TO PROCUREMENT

Chair Thielen, Vice Chair Inouye, and members of the committee, thank you for the opportunity to submit testimony on SB3015. The State Procurement Office (SPO) strongly supports the intent of this bill and refers the committee to SB3143.

The SPO requests adding the authority for the State Procurement Administrator to hire an exempt employee to head the innovative delivery shop. 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.

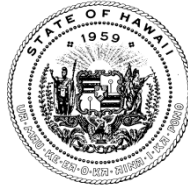
In addition, we request additional verbiage to confirm this effort as a 10-year pilot period. General policy forbids anyone from maintaining an exempt employee beyond three years. Unfortunately, large innovative delivery projects such as the Stadium effort, usually take 3-5 years to procure and build. A 10-year 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 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.

For those reasons, in order to recruit a person with these abilities, we must be able to pay them appropriately and request the extended period in which to be able to employ that position.

Therefore, SPO requests the following language is added to SB 3015 as follows:

“There is established in the state procurement office one full—time equivalent (1.00 FTE) innovative project delivery coordinator position, who shall be exempt from the provisions of chapter 76, Hawaii Revised Statutes, for the duration of the 10-year pilot program.”

Thank you.



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
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February 4, 2020
2:50 pm
State Capitol, Room 225

S.B. 3015
RELATING TO PROCUREMENT.

Senate Committee on Government Operations

The Department of Transportation (DOT) **supports** the bill which appropriates funding to the Department of Accounting and General Services (DAGS) for the purposes of training, development, and consulting services related to implementation of innovative project delivery methods.

The collaboration by the State Procurement Office and the Public Works Division under DAGS in developing and implementing innovative project delivery methods will further assist and support improvements to procurement efficiency and effectiveness, overall program success, and government accountability. The resulting deliverable will benefit respective departments with upgraded shared knowledge, industry-accepted best practices, and overall enhanced execution and management of projects.

Thank you for the opportunity to provide testimony.