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BONNIE KAHAKUI  
ACTING ADMINISTRATOR

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TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO  
THE HOUSE COMMITTEE  
ON  
FINANCE

MARCH 2, 2021, 11:00 A.M.

HOUSE BILL 882, HD1  
RELATING TO PROCUREMENT

Chair Luke, Vice Chair Cullen, and members of the committees, thank you for the opportunity to submit testimony on HB882 HD1. The State Procurement Office (SPO) **strongly supports** this bill. We appreciate that the House Draft 1 of this bill reflects comments we made in previous testimony.

Thank you.



## **HB882 HD1 Procurement Council**

### **COMMITTEE ON FINANCE:**

- Rep Sylvia Luke, Chair; Rep. Ty Cullen, Vice Chair
- Tuesday, Mar. 2 2021: 11:00: Videoconference

## **HSAC Opposes HB882 and makes Recommendations for Amendments:**

*ALOHA CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization of over 30 substance use disorder and co-occurring mental health disorder treatment and prevention agencies.*

## **Retain the Procurement Council and**

## **RECOMMENDATIONS**

- 1. Make a written determination that the amount of a contracting action for purchases of health and human services is fair and reasonable;**
  - **Prioritize the financial security and viability of mental health and addiction treatment providers** that they survive.
  - **Facilitate the implementation of nationally recognized level of care standards** for addiction treatment programs and new standards for recovery residences and improve training for healthcare professionals who care for patients with mental health and substance use disorders in communities across Hawai'i.
  - **Ensure that rates are adequate to build a robust SUD workforce,** which is critical and should be a cornerstone of any state response.
- 2. Perform a cost or price analysis to determine that the amount of the contracting action is a fair and reasonable price;**
3. Amending the selection and composition of the Procurement Policy Board by **reducing the number of members on the board from seven to six** and making associated changes to the number of members who cannot otherwise be full-time government employees, who must be appointed by the Governor, and who serve on the nominating committee;

4. **Amending the circumstances for when treatment services may be purchased** and the procedure to purchase treatment services, including allowing for heads of purchasing agencies to publish notice describing the types of treatment services needed, form an initial review committee for each profession, and negotiate contracts;
  
5. **Increasing the small purchase threshold** from less than \$25,000 to less than \$100,000

We appreciate the opportunity to provide testimony and are available for questions.

**HB-882-HD-1**

Submitted on: 2/28/2021 7:44:07 PM

Testimony for FIN on 3/2/2021 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
nanci kreidman	domestic violence action center	Comments	No

Comments:

Aloha,

the Community Council is a valuable addition to community planning and resource allocation pertaining to development and support for programs.

please consider resurrecting the Community Council.

thank you.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

March 2, 2021

TO: Representative Sylvia Luke, Chair  
Representative Ty J.K. Cullen, Vice Chair  
Members of the House Committee on Finance

FROM: Christy MacPherson, Director, PHOCUSED

SUBJECT: Testimony: Relating to Procurement

Hearing: March 2, 2021 at 11:00 am  
Via videoconference

Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance,

Thank you for the opportunity to provide testimony **in opposition** to HB 882, HD1.

PHOCUSED has concerns about this bill for the following reason:

- A repeal of the Community Council on Purchases of Health and Human Services that advises and/or assists administrators/providers in decision-making regarding marketing/business conditions, assessments of needs, plans and budgets, and training/education on improvement of purchasing of health and human services will eliminate opportunities for nonprofit service providers to provide input and make recommendations relating to procurement.
- Furthermore, it was the founding of the Community Council that allowed for development of the rules, infrastructure, and procedures for procuring health and human services as stated in the language of HB882, HD1. Administrators will continue to need valuable insight and assessment from the Council.

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

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PHOCUSED IS A PROJECT OF HAWAII'S APPLESEED

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CATHOLIC CHARITIES HAWAII

**LATE**

**COMMENTS FOR HB 882, HD1: RELATING TO PROCUREMENT**

TO: House Committee on Finance

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawaii

**Hearing: TUESDAY, 3/2/21; 11:00 am; via videoconference**

Chair Luke, Vice Chair Cullen, and Members, Committee on Finance:

Thank you for the opportunity to provide **Comments on HB 882, HD1**, which repeals the community council on purchase of health and human services, among other changes to state procurement. I am Rob Van Tassell, with Catholic Charities Hawaii.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 70 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawaii. Catholic Charities Hawaii has a long history of working in the areas of affordable housing and homelessness.

Catholic Charities Hawaii **OPPOSES the repeal of the Community Council on Purchases of Health and Human Services**. The community needs the Council for providers to share insights and make recommendations regarding procurement. Many issues may arise over procurement policies, timeframes, etc. Repealing the Council would remove the process for non-profit service providers to provide significant input into the procurement process.

Procurement Administrators need input and especially insights on impacts from the service providers to ensure that there are fewer unintended consequences. Top down decisions without input from the “end users” (the service provider and the vulnerable populations they serve) could result in negative consequences or turmoil in the system.

We suggest instead that the effectiveness of the Council could be promoted by:

- Determining the reasons the Council has not met since 2010: The quorum seems to have been a major problem for the Council’s inability to meet. More members could be appointed or a lower quorum needs to be established to allow the Council to actually meet.
- Including UH performance metrics to improve effectiveness.

Non-profit service providers are a huge segment of the Hawaii economy. We thank you for your consideration of how to improve the Council to become more effective vs repealing it.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org) if you have any questions.

**HB-882-HD-1**

Submitted on: 3/2/2021 9:22:12 AM

Testimony for FIN on 3/2/2021 11:00:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joseph Spurrier	Individual	Oppose	No

Comments:

I strongly oppose.