



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
February 24, 2022 at 10:00 a.m.

By
Jan Gouveia
Vice President for Administration
and
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

SB 2302 SD1 – RELATING TO CHIEF PROCUREMENT OFFICERS

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

Thank you for the opportunity to provide testimony today. The University of Hawai'i (UH) would like to provide comments on SB 2302 SD1 which would designate the Vice President for Budget and Finance/Chief Financial Officer (CFO) of UH as the Chief Procurement Officer (CPO) of the UH.

Section 103D-203, Hawai'i Revised Statutes (HRS), currently establishes the president of the UH as its CPO. This designation authority allows for the UH to efficiently self-manage much of the processes for nearly all procurement requirements of the UH – such as, for purchasing of supplies, equipment, services, consulting, and construction. UH supports preserving CPO designation within the UH as beneficial for efficient procurement.

The UH currently has two distinct procurement offices. Both are situated under the Vice President for Administration. The Office of Procurement Management (OPM) has seven positions to manage, process, and coordinate procurement for all campuses with the exception of capital projects. OPM processes procurements related to goods and services that range from small purchases for equipment and office supplies to larger contracts for services, such as consulting. The Facilities Contracts Office has five positions and processes construction and construction-related services procurements, and encompasses smaller repairs and maintenance projects to larger capital improvement projects. The range of all aspects of procurement at the UH is very diverse.

SB 2302 SD1 would amend the designation of the UH's CPO from the UH president to that of the UH's CFO. While not impossible as an arrangement, this approach would require added internal processes, process flow, and necessitate added bureaucracy in order to involve the CFO. Currently, the CFO is not involved in procurement processing.

The Legislature should consider the operational impacts and process efficiencies of inserting a position below that of the department's head as the CPO. This would be different than any other department that also has designated CPO authority as specified in Section 103D-203, HRS.

Thank you for the opportunity to testify on this measure.