



**STATE OF HAWAII
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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
GOVERNMENT OPERATIONS
THURSDAY, JANUARY 27, 2022

SENATE BILL 2383
RELATING TO THE STATE PROCUREMENT POLICY BOARD

Chair Moriwaki, Vice Chair Dela Cruz, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2383.

The State Procurement Office (SPO) appreciates the intent of S.B 2383 and respectfully provides comments as follows:

The SPO wishes to improve the efficiency of the rule-making process, which is currently under the authority of the Procurement Policy Board (PPB). However, the PPB last held a meeting in May 2019, and has not been able to hold subsequent meetings due to vacancies and lack of quorum. The inability for the PPB to meet hinders the SPO's ability to adopt, amend, or repeal administrative rules to carry out the objective of Chapter 103D, Hawaii Revised Statutes. To overcome this challenge, the SPO had previously recommended amending Section 103D-201, Hawaii Revised Statutes, by reducing the PPB to five (5) members, eliminating the PPB Nominating Committee, and reducing the minimum number of applicants for vacant positions from three (3) to two (2) to ease the burden of receiving more applications and getting quorum.

The SPO strongly supports eliminating the Procurement Policy Board Nominating Committee and aligning rule-making authority in accordance with Chapter 91, HRS, and therefore provide the balance necessary to ensure fair and equitable treatment to government entities and vendors. The SPO wishes to comment that if §103D-201 and §103D-202, HRS, are repealed, the Hawaii Administrative Rules will have to be amended and will require time to process.

Thank you.



**Testimony to the Senate Committee on Government Operations
Senator Sharon Moriwaki, Chair
Senator Donovan Dela Cruz, Vice-Chair
Thursday, January 27, 2022, 3:00 p.m.
Via Videoconference
SB 2383, Relating to the State Procurement Policy Board**

Dear Chair Moriwaki, Vice-Chair Dela Cruz, and members of the GVO Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I would like to offer our testimony in opposition to SB 2383, Relating to the State Procurement Policy Board.

Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Our member organizations provide essential services to every community in the state.

SB 2383 would repeal the State Procurement Policy Board and transfer its duties to the State Procurement Office, among other changes. HANO strongly opposes the elimination of the State Procurement Policy Board which provides the means for oversight and direction of procurement matters. Presently, two of the Board's members represent the field of health and human services which gives this sector an important voice in the implementation of Chapter 103F, HRS.

Instead of taking the drastic measure of complete elimination, HANO supports efforts to streamline and strengthen the nominating process, such as those proposed in the Administration's Senate Bill 3040.

Mahalo for the opportunity to provide written testimony.

Lisa Maruyama
President and CEO