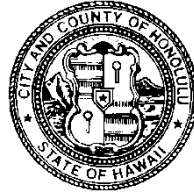


RICK BLANGIARDI
MAYOR



ANDREW T. KAWANO
DIRECTOR

CARRIE CASTLE
DEPUTY DIRECTOR

TESTIMONY OF ANDREW T. KAWANO
DIRECTOR OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
February 23, 2022, 10:05 AM, Conference Room 211 and Videoconference

TO: The Honorable Donovan M. Dela Cruz, Chair
and Members of the Senate Committee on Ways and Means

RE: OPPOSITION OF SENATE BILL 2726, SD1, RELATING TO PARKING
CONCESSIONS

The Department of Budget and Fiscal Services, City and County of Honolulu (City), **opposes** Senate Bill (SB) 2726, SD1, Relating to Parking Concessions.

Parking concessions can generate large amounts of revenue and should not be exempt from a competitive process. As proposed in this bill, exempting parking operations from the bidding requirement will not follow any competitive process and a department will be able to award any and all parking concessions to any vendor at its own discretion.

Hawaii Revised Statutes ("HRS") 102-1(2) defines "concessions" as meaning to grant a person the privilege to "operate a parking lot on property owned or controlled by the State with the exception of buildings, facilities, and grounds operated by or otherwise under the jurisdiction of the department of education." This bill seeks to amend HRS 102-2 that will then contradict the definition of a concession.

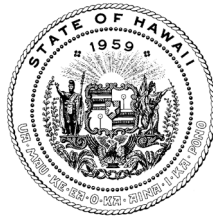
If the purpose of this bill is to allow for departments to act quickly without creating significant delays (for unforeseen circumstances or to ensure uninterrupted parking services to the public), HRS 102-2(b)(7) already allows "[f]or operations of concessions on permits revocable on notice of thirty days or less; provided that no such permits shall be issued for more than a one year period[.]"

The City would support a competitive sealed proposal process under HRS Chapter 102, if the State is looking to receive a "best value" option, however, the City proposes that HRS 102 be updated to explicitly allow for a sealed competitive proposal process.

For the reasons stated above, the City respectfully opposes Senate Bill 2726, SD1.

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact the Department of Budget & Fiscal Services' Division of Purchasing at 808-768-5535 or bfspurchasing@honolulu.gov.

DAVID Y. IGE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the Senate Committee on
WAYS AND MEANS

Wednesday, February 23, 2022
10:05 AM

State Capitol, Conference Room 211, Via Videoconference

In consideration of
SENATE BILL 2726, SENATE DRAFT 1
RELATING TO PARKING CONCESSIONS

Senate Bill 2726, Senate Draft 1 proposes to exempt parking concessions from the public bidding requirements under the state procurement law. **The Department of Land and Natural Resources (Department) strongly supports this measure.**

The Department operates vehicle parking plans through its various divisions and has found that being restricted to only offering vehicle parking plans by either Chapter 102 or 103D, Hawaii Revised Statutes (HRS), to be disadvantageous and requests the ability to offer vehicle parking plans using different procurement methods other than being limited to using Chapter 102, HRS. This will give the Department the ability to create parking plans that are more advantageous to the State and can be tailored to specific locations and conditions on a case by case basis. The Department will follow the appropriate procurement code when issuing solicitations for parking services.

Thank you for the opportunity to testify on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS