



**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  
HONOLULU, HAWAII 96813-5097

March 3, 2021  
9:45 A.M.  
State Capitol  
Conference Room 211  
VIA VIDEO CONFERENCE

**S.B. 789, S.D. 1**  
**RELATING TO PROCUREMENT**

Senate Committee(s) on Judiciary and Ways and Means

---

The Department of Transportation (DOT) **supports the intent** of the bill to establish a special procurement process for the procurement of goods and services; requires the procurement policy board to establish rules and procedures for the special procurement process by December 31, 2021; requires the head of the purchasing agency to prepare a procurement plan and submit the plan to the Attorney General or corporation counsel; and requires the head of the purchasing agency to electronically post, for at least one year, public notice of special procurement contracts within seven days of the contract award.

In order to respond timely and appropriately to changing and challenging economic times, new and innovative ways of maintaining and improving state services and infrastructure, while ensuring prudent and cost-effective expenditure of public monies, are needed.

Greater flexibility in the procurement of respective goods and services to accommodate and address varying unique needs and circumstances will improve the State's responsiveness to better serve the people of the State.

Thank you for the opportunity to provide testimony.



**STATE OF HAWAII**  
**STATE PROCUREMENT OFFICE**

P.O. Box 119  
Honolulu, Hawaii 96810-0119  
Tel: (808) 586-0554  
email: [state.procurement.office@hawaii.gov](mailto:state.procurement.office@hawaii.gov)  
<http://spo.hawaii.gov>

TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES  
ON  
JUDICIARY  
AND  
WAYS AND MEANS  
March 3, 2021, 9:45 a.m.

SENATE BILL 789, SD1  
RELATING TO PROCUREMENT

Chairs Rhoads and Dela Cruz, Vice Chairs Keohokalole and Keith-Agaran, and members of the joint committee, thank you for the opportunity to submit testimony on SB789, SD1. The State Procurement Office (SPO) offers the following comments and recommendation.

This bill proposes to create an alternate method of procurement to address new or unique requirements of the State; or procure new technologies, or public-private partnerships to achieve best value. Prior to issuing a notice, the head of the purchasing agency shall prepare a procurement plan developed in accordance with the proposed section and rules established by the procurement policy board.

Pursuant to Hawaii Revised Statutes (HRS), Section 103D-202, Authority and duties of the policy board, the Procurement Policy Board (PPB) shall have the authority and responsibility to adopt rules consistent with Chapter 103D, HRS. All rules shall be adopted in accordance with Chapter 91. And the PPB shall consider and decide matters of policy within the scope of Chapter 103D, including those referred by a chief procurement officer (CPO). For rules to be established, the following shall occur:

- Allow for interested persons an opportunity to submit data, views, arguments, or present oral testimony on any agenda in an open meeting.
- Validate and prepare written guidance to fulfill the requirements of the law.
  - Preparation and publication of rules – requires \$5,000 for public notification
  - Preparation and coordination of surveys, facilitation of discussions and final publication of rules – requires \$4,000 for coordination and public notification

In addition to the funding requirements, time is required to verify and implement rules and to develop training.

Furthermore, not all agencies may have a website location to post awards.

RECOMMENDATION:

Amend the language on Page 3, Section 2, Lines 8-12, to:

"(d) The head of the purchasing agency or a designee shall post electronically ~~on the agency's website~~, ~~public notice of all~~ contracts awarded under this section. ~~Such public notice Awards~~ shall be posted within seven days of the contract award and shall remain ~~on the website available~~ for at least one year. Information posted shall include but not ..."

Thank you.