



**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
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TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
HOUSING  
February 7, 2024, 10:00 a.m.

HOUSE BILL 2327  
RELATING TO AFFORDABLE HOUSING

Chair Evslin, Vice Chair Aiu, and members of the committee, thank you for the opportunity to submit testimony on House Bill 2327. The State Procurement Office (SPO) supports the intent of the bill relating to affordable housing and provides the following comments to Section 2, page 3, lines 19 to 20, through page 4, lines 1 to 2, which reads:

(b) Notwithstanding section 103D-302(h), Hawaii Revised Statutes, or any other law to the contrary, contracts awarded pursuant to this Act shall be exempt from any law requiring a contract to be awarded to the lowest bidder.

**Comment:** No justification was provided why the agency cannot use the Competitive Sealed Bid process, in which the award is made to the lowest responsible and responsible bidder, meeting all the criteria. However, if it is the intent of the legislature to require the Hawaii Public Housing Authority to share in the cost of renovating the existing property at 1021 Smith Street for use as affordable housing, without the requirements of 103D-302 (h), of competitive sealed bidding, then SPO would suggest using the competitive sealed proposal method, 103D-303, HRS, Competitive Sealed Proposals.

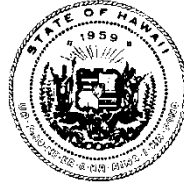
In the competitive sealed proposal method, award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous, taking into consideration price and the evaluation factors set forth in the request for proposals. Price is a factor, but not the primary factor.

**Recommendation:** Revise the language to Section 2, page 3, lines 19 to 20, and page 4, lines 1 to 2 to read:

(b) ~~Notwithstanding section 103D-302(h), Hawaii Revised Statutes, or any other law to the contrary,~~ Contracts awarded pursuant to this Act shall ~~be exempt from any law requiring a contract to be awarded to the lowest bidder.~~ use the competitive sealed proposal method of procurement, 103D-303, Hawaii Revised Statute.

Thank you.

JOSH GREEN, M.D.  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

**STATE OF HAWAII**  
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IN REPLY, PLEASE REFER TO:

Statement of  
**Hakim Ouansafi, Executive Director**  
**Hawaii Public Housing Authority**

Before the  
**HOUSE COMMITTEE ON HOUSING**

**Wednesday, February 7, 2024**  
**10:00 AM – Room 312, Hawaii State Capitol**

In consideration of  
**HB 2327**  
**RELATING TO AFFORDABLE HOUSING**

Honorable Chair Evslin, and members of the House Committee on Housing, thank you for the opportunity to provide testimony on House Bill (HB) 2327, relating to affordable housing.

The Hawaii Public Housing Authority (HPHA) supports measures that promote the adaptive reuse of existing, underutilized buildings that will create/increase our affordable housing inventory in partnerships that will keep them affordable in perpetuity to combat our current housing crisis.

Please know that the HPHA stands ready to assist the Legislature in this endeavor and looks at this measure as an opportunity to be part of the overall solution needed to address all housing related issues in Hawaii.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony. We thank you very much for your dedicated support.

**HB-2327**

Submitted on: 2/5/2024 11:45:38 AM

Testimony for HSG on 2/7/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Neil Abercrombie	Individual	Support	In Person

Comments:

I strongly support this bill.