

LINDA LINGLE
GOVERNOR



LATE
9:32

RUSS K. SAITO
Comptroller

BARBARA A. ANNIS
Deputy Comptroller

**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119**

TESTIMONY OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
TOURISM AND GOVERNMENT OPERATIONS
ON
February 28, 2008

S.B. 2748

RELATING TO THE PROCUREMENT CODE

Chair Nishihara and members of the Committee, thank you for the opportunity to testify on S.B. 2748.

The Department of Accounting and General Services (DAGS) opposes this bill because it undermines the procurement code's (Code) protest process, creates unnecessary delays, and would interfere with projects for which contracts have been signed.

This bill establishes, on page 1 lines 4-10, a requirement to have a pre-job conference before the start of work and to have the contractor, all subcontractors and any employee representative of workers who will be working on the project attend. Mandatory scheduling and attendance may not be beneficial to the State, contractor, subcontractors or worker representative. The reason for this requirement is to establish a deadline for filing a protest. This is unnecessary as the code already specifies the conditions and timeframes for protests, which are fairer and more efficient to offerors. In

addition, the bill, on page 2, line 2-7, proposes changes to the code's protest process that eliminates the ability of offerors to protest not just the award of contracts but the contents of the solicitation as well. This is not beneficial to the State or the contractors.

The bill's changes, on page 3, line 20 to page 4, line 5, are totally unnecessary. Debriefings are provided for in the code at 103-303(h) and 103D-304(k). And to allow the protest to be filed all the way to the pre-job conference would prolong the process and may result in protests against projects for which contracts have already been signed, as that is common before pre-job conferences are held.

DAGS recommends that this bill be held.

Thank you for the opportunity to testify on this matter.