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TESTIMONY  
OF  
AARON S. FUJIOKA  
ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE  
HOUSE COMMITTEE  
ON  
ECONOMIC REVITALIZATION, BUSINESS, & MILITARY AFFAIRS

February 10, 2009

8:30 AM

HB 961

RELATING TO PROCUREMENT.

Chair McKelvey, Vice-Chair Choy and committee members, thank you for the opportunity to testify on HB 961. This bill would cause the Comptroller to become an ex-officio nonvoting member and requires the state procurement policy board (PPB) to perform a minimum of two audits of executive purchasing agencies.

The State Procurement Office (SPO) does not support, and sees no benefit to changing the status of the Comptroller to ex-officio member. The Comptroller has government and working knowledge in implementing the rules on a daily basis, and provides insight in applying the rules adopted.

The SPO also does not support requiring the PPB to conduct a minimum of two annual procurement audits limited to executive departments, divisions, or agencies. This requirement for mandatory audits is not necessary as the Code (HRS §103D-202) currently allows the PPB to conduct compliance audits of all entities subject to the Code. In addition, it would be extremely difficult for the SPO to coordinate and manage the audits on behalf of the PPB in addition to its normal responsibilities given the limited resources of staff and funds.

# IRON WORKERS STABILIZATION FUND

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February 9, 2009

Hon. Angus L.K. McKelvey, Chair  
House Committee on Economic Revitalization,  
Business, & Military Affairs  
State Capitol – Room 427  
Honolulu, Hawaii 96813

*Use this  
copy for  
notes*

Iron Workers Stabilization Fund – T. George Paris, Managing Director

Hearing Date – February 10, 2009, 8:30 a.m.

Support of HB 961, Relating to Procurement

The purpose of this bill is ensure compliance with the procurement code through audits that are to be conducted by the state procurement office. The results of the audits are to be reported to the legislature at least 20 days before the next legislative session.

As set forth in the bill, the state procurement policy board is to consist of 7 members, including the comptroller who is to be an ex-officio non-voting member. The board is to annually audit a minimum of two executive departments, divisions, or agencies, to be randomly selected, to ensure compliance with the procurement code.

The Iron Workers Stabilization Fund goes on record supporting this measure.

