

**Date:** 03/16/2009

**Committee:** House Education

**Department:** Education

**Person Testifying:** Patricia Hamamoto, Superintendent of Education

**Title of Bill:** SB 1669, SD2 (SSCR683) RELATING TO EDUCATION.

**Purpose of Bill:** Authorizes the issuance of general obligation bonds to fund department of education repair and maintenance projects (part I); provides a temporary exemption from procurement laws to the department of education in order to expedite repair and maintenance capital improvement projects (part II). Effective 07/01/90. (SD2)

**Department's Position:** The Department of Education (DOE) supports S.B. 1669, SD2 to the extent that its implementation does not impact or replace the priorities set forth in the DOE's budget for Fiscal Year 2010. The funds appropriated by this measure will help reduce the repair and maintenance project backlog at our public schools. It will continue a five-year downward trend for the backlog, from an amount of \$703,000,000 in December 2003 to approximately \$479,000,000 currently, as a result of an average appropriation amount of \$78,000,000 for each fiscal year for repair and maintenance projects.

For Part II, we note that currently the DOE is using the Hawaii Electronic Procurement System and the Superintendent, as the Chief Procurement Officer, has raised the limit to \$150,000 and could further raise the limit. In addition, DOE policies and procedures relating to procurement can be streamlined without passage of this Part.

Thank you for the opportunity to testify.

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**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

P.O. Box 119  
Honolulu, Hawaii 96810-0119  
Tel: (808) 587-4700 Fax: (808) 587-4703  
www.spo.hawaii.gov

TESTIMONY  
OF  
AARON S. FUJIOKA  
ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE  
HOUSE COMMITTEE  
ON  
EDUCATION

March 16, 2009

2:00 PM

SB 1669, SD2

RELATING TO EDUCATION.

Chair Takumi, Vice-Chair Berg and committee members, thank you for the opportunity to testify on SB 1669, SD2.

The State Procurement Office (SPO) testimony is limited to PART II of the bill. The bill proposes to address the issues faced by the Department of Education (DOE) to expedite and reduce the backlog for repair and maintenance projects in the public schools by providing a temporary exemption from the requirements of HRS Chapter 103D. We oppose the provisions to exempt the DOE from compliance with the public procurement code.

Statutorily exempting an agency from the Code is not in the best interest of government, the business community, and the general public. The Code establishes a time-tested, fair, and reliable set of rules and processes for award of contracts. The competitive procurement processes of the Code are to insure that all potential providers are afforded the opportunity to compete for the required services. To the extent agencies may need specific items to be exempted from Code requirements, the Code provides an exemption process.

The Code should not be viewed as an obstacle to a purchasing agency's mission, but rather as the single source of public procurement policy to be applied equally and uniformly. It was the legislature's intent for the Code to be a single source of public procurement policy. If individual agencies are exempted and allowed to develop their own individual processes, it becomes problematic and confusing to vendors, contractors and service providers that must comply with a variety of different processes and standards. Fairness, open competition, a level playing field, and government disclosure and transparency in the procurement and contracting process are vital to good government. For this to be accomplished, we must participate in the process with one set of statutes and rules. There needs to be one single source of public procurement policy. Thank you.