

LINDA LINGLE
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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
FEBRUARY 18, 2010

H.B. 2057, H.D. 1

RELATING TO PUBLIC PROCUREMENT

Chair Oshiro and members of the Committee, thank you for the opportunity to testify on H.B. 2057, H.D. 1.

The Department of Accounting and General Services (DAGS) has concerns about certain sections of HB 2057, H.D. 1. In Section 6, the bill requires that the bidder must show compliance with laws for doing business in Hawai'i at the time the bid is submitted. Current law requires this after the bid is opened. DAGS recommends that the current law be amended to require demonstration within a reasonable amount of time after the bid is opened, that the contract not be awarded until compliance and other certification requirements have been fulfilled, and that failure to fulfill the requirements within the specified time be reason to disqualify the low bidder and award to the next low bidder.

The time to demonstrate compliance should also apply to all source selection methods.

Section 8 seems to require attendance at pre-bidders by all potential interested bidders, offerors, subcontractors, and union representatives. DAGS believes that attendance should not be mandatory unless determined by the procuring officer to be mandatory because of project complexity or other factors.

In Section 10 the designation of sole source for situations in which there is no qualified offerors is not necessary because an exemption can be used instead. DAGS also believes that 30 days notice of an intent to award a sole source contract can be shortened.

Thank you for the opportunity to testify on this matter.