
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that during challenging
2 economic times, it is necessary for the State to investigate and
3 employ new and innovative ways of maintaining and improving
4 state services and infrastructure, while ensuring the prudent
5 and cost-effective expenditure of public moneys. Accordingly,
6 the process of the acquisition of goods and services must have
7 the flexibility to accommodate circumstances where other than
8 full competition is necessary to address a unique need, such as
9 developing a flexible local food purchasing structure or
10 private-public partnerships.

11 The purpose of this Act is to provide the State with
12 greater flexibility in the procurement of certain goods and
13 services, to improve the State's responsiveness in addressing
14 unique or unusual needs or situations for the benefit of the
15 people of this State, while maintaining the accountability and
16 transparency afforded by the Hawaii public procurement code.



1 SECTION 2. Chapter 103D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§103D- Special procurement. (a) Contracts for goods
5 and services may be awarded with other than full competition
6 using a special innovative procurement process in accordance
7 with this section and procedures set forth in rules adopted by
8 the procurement policy board. The special innovative
9 procurement process authorized by this section shall be used
10 only when the chief procurement officer determines in writing
11 that it is advantageous to the State to use the process for
12 procurement of new or unique requirements of the State, new
13 technologies, public-private partnerships, or to achieve best
14 value.

15 (b) Notice of the solicitation shall be given in the same
16 manner as provided in section 103D-302(c).

17 (c) A written determination of the basis for the
18 procurement and for the selection of the particular contractor
19 shall be included by the head of the purchasing agency in the
20 contract file, and a report shall be submitted to the state



1 procurement office and made available publicly by the chief
2 procurement officer at least annually."

3 SECTION 3. Section 103D-301, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "§103D-301 **Methods of source selection.** Unless otherwise
6 authorized by law, all contracts shall be awarded pursuant to
7 the following sections, as applicable:

- 8 (1) Section 103D-302 (Competitive sealed bids);
9 (2) Section 103D-303 (Competitive sealed proposals);
10 (3) Section 103D-304 (Professional services procurement);
11 (4) Section 103D-305 (Small purchases);
12 (5) Section 103D-306 (Sole source procurement); ~~and~~
13 (6) Section 103D-307 (Emergency procurements) ~~[-]~~; and
14 (7) Section 103D- (Special procurement)."

15 SECTION 4. This Act does not affect rights and duties that
16 matured, penalties that were incurred, and proceedings that were
17 begun before its effective date.

18 SECTION 5. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



H.B. NO. 2053

1 SECTION 6. This Act shall take effect on July 1, 2016.

2

INTRODUCED BY:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

JAN 22 2016



H.B. NO. 2053

Report Title:

Procurement Code; Special Procurement

Description:

Provides for the establishment of a special procurement process for the procurement of goods and services. Requires the establishment of procedures by the procurement policy board for use of the special procurement process.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR

PAULA A. YOUNGLING
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Telephone: (808) 587-4700
e-mail: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>

TESTIMONY

OF

SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE

ON

ECONOMIC DEVELOPMENT & BUSINESS

FEBRUARY 2, 2015, 9:00 A.M.

HOUSE BILL 2053
RELATING TO PROCUREMENT

Chair Kawakami, Vice-Chair Kong, and members of the committee, thank you for the opportunity to submit testimony on HB 2053.

The State Procurement Office (SPO) is in **SUPPORT** of the measure **with suggested revisions** as set forth below.

HB 2053 creates a new section within Hawaii Revised Statutes chapter 103D to address what are called special innovative procurements. Among public procurement's guiding principles are value and transparency. Value ensures prudent use of taxpayer dollars. Transparency ensures accountability and system integrity, which in turn, fosters public confidence. These guiding principles are built into HRS chapter 103D, our State Procurement Code.

Special innovative procurements will allow the State to procure when unusual or unique circumstances exist that require other than full competition, when standard procurement procedures would be contrary to the public interest. Unlike an exemption, special innovative procurements are an alternative process **within** the procurement code. This means that the State can effectively respond to unique needs or requirements and maintain the accountability and transparency of the procurement and resulting management of the contract. In other words, special innovative procurements help to avoid costly and embarrassing missteps that can occur with exemptions. In fact, our research shows that several states currently apply similar statutes, and the ABA 2000 Model Procurement Code recommends the use of special innovative procurements.

The language of HB 2053 is similar to the language found in the Alaska innovative procurements statute (AS § 36.30.308). Although aimed at flexibility to accommodate unique circumstances, special innovative procurement statutes have protections built in, which require a written determination by the CPO, notice, and a published record to be maintained. Such safeguards ensure the special innovative procurement will be utilized only in unusual or unique circumstances and only if advantageous to the state, best value can be achieved, and the public interest will be promoted in a manner not practicably realized under standard procurement procedures.

The SPO prefers the language of HB 2053 over HB 2052 since further research and outreach are required with both the architect/engineering and construction industry prior to including either professional or construction services within the “Special Procurement” method of procurement.

In order to ensure greater transparency and accountability SPO suggests the following revisions to the current bill as set forth below:

SECTION 2.

On page 2, line 14 include the following language at the end of part (a):

“Prior to issuing the notice required under subsection (b), the Head of the Purchasing Agency shall prepare a procurement plan developed in accordance with this section and rules established by the procurement policy board. The purpose of the procurement plan is to document the process to be used in acquiring the goods or services and the basis of why the special process is more advantageous to the State than other procurement methods. Such plan shall be submitted to the attorney general or corporation counsel for review for compliance with law.”

Reasoning: The plan described above is critical in order for the Chief Procurement Office to make the determination required in sub-section (a). Review by either an attorney general or corporation counsel is necessary to ensure that the special/innovative process to be followed complies with law, for example, HRS §171 for requirements involving public land management and disposition.

Thank you.

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

February 2, 2016
9:00 A.M.
ROOM 2312

**HOUSE BILL NO. 2053
RELATING TO PROCUREMENT**

Chairperson Kawakami and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2053. The purpose of this bill is to provide for the establishment of a special procurement process for the procurement of goods and services. The Department of Agriculture supports this measure as it relates to procurement of agricultural commodities.

Act 218 (SLH 2015) established a Farm to School Program within the Department of Agriculture, directing the Farm to School Coordinator to "address the issues of supply, demand, procurement, and consumption of Hawaii-grown foods in state facilities" (HRS §141-11(b)). One of the five goals of the program is to "[e]nrich the local food system through the support and increase of local food procurement for the State's public schools and other institutions" HRS §141-11(a)(3). Through our Farm to School Coordinator's systematic and technical procurement collaboration with stakeholders in the Lieutenant Governor's Advisory Group, as well as working directly with the State Procurement Office, Department of Education, Hawaii Child Nutrition Program, Department of Health, farmers, distributors, and nonprofit entities, it is apparent that the procurement processes available in chapter 103D are hindering efforts to increase the State's institutional purchasing of locally grown food.



The State policy to buy local produce and support local agriculture was formally established with Act 55 (SLH 2013), codifying the policy in Objectives and policies for the economy — agriculture in the Hawaii State Planning Act:

- HRS§226-7(b)(7) “Strengthen diversified agriculture by developing an effective promotion, marketing, and distribution system between Hawaii’s food producers and consumers in the State, nation, and world.”
- HRS§226-7(b)(13) “Promote economically competitive activities that increase Hawaii’s agricultural self-sufficiency, including the increased purchase and use of Hawaii-grown food and food products by residents, businesses, and governmental bodies as defined under section 103D-104.”

This measure would allow for development of a “special procurement” alternative competitive process to address the unique situations faced with implementing such specialized State policies in transparent manner that is advantageous to the State, achieving best value with stated policies.

Thank you for the opportunity to testify on this measure.

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Testimony to the House Committee on Economic Development and Business
The Honorable Derek Kawakami, Chair
The Honorable Sam Kong, Vice-Chair
Members of the Committee
Tuesday, February 2, 2016

RE: HB 2052 & 2053: Relating to Procurement.

Dear Chair Kawakami, Vice-Chair Kong, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA Hawaii supports, H.B. 2052 and H.B. 2053, which proposes to amend Chapter 103 HRS by creating special innovative or special procurement processes.

The procurement process is in need of improvement. The business community and the public want an open, competitive and transparent procurement process. The procurement process must also be timely in the selection and payment for goods and services. In addition, the State is looking for the best value, not necessarily the lowest price.

We know of many small businesses in Hawaii that do not pursue work from the State of Hawaii because of the uncertainty and delays caused by the current procurement process.

We look forward to the Procurement Policy Board's procedures for these new procurement processes.

We appreciate the opportunity to express our support for H.B. 2052 and H.B. 2053.

PO Box 240848
Honolulu, HI 96824
www.hawaiifoodpolicycouncil.org

House Committee on Economic Development and Business

February 2, 2016, 9:00AM

Room 312

Subject: **Testimony in SUPPORT of HB 2053, Relating to Procurement**

Chair Kawakami, Vice Chair Kong, and members of the committee:

Thank you for the opportunity to submit testimony in support of HB2053, which creates a provision in HRS Section 103D-301 for a special procurement process for the State to purchase goods and services.

The Hawai'i Food Policy Council **strongly supports** this measure, recognizing that its adoption will create a mechanism to assist in the purchase of fresh, locally grown foods by schools and other State institutions. In its current form—even with the local preference provision—the State's procurement code presents an obstacle to the purchase of local produce and meats in large enough quantities to meet institutional needs.

Procuring food from local producers is undoubtedly in the public's best interest, as evidenced by the State's recent investment in a farm to school program within the Department of Agriculture. According to a 2008 report from the University of Hawai'i College of Tropical Agriculture and Human Resources¹, an estimated \$3.1 billion currently leaves our state to support agribusiness elsewhere. **Taking into account multiplier effects, replacing the purchase of just 10% of imported foods with locally-produced foods would generate an estimated economy-wide impact of \$188 million in sales, \$47 million in earnings, \$6 million in state tax revenues, and more than 2,300 jobs.**

¹ Leung, PingSun, and Loke, Matthew. "Economic Impacts of Increasing Hawai'i's Food Self-Sufficiency." *Economic Issues* EI-16 (2008). Web.
<http://hdoa.hawaii.gov/add/files/2012/12/FoodSSReport.pdf>

Unlike exemption, which runs the risk of decreased transparency and accountability, special procurement allows for flexibility, but with protections built in. Similar statutes are already in place in other states, such as Alaska, and according to the State Office of Procurement, the ABA 2000 Model Procurement Code recommends the use of these types of “special innovative procurements.” Special procurement can only be employed when standard procurement procedures would be contrary to the public interest, as is the case when procuring local food.

The passage of HB 2053 is a critical action that the legislature can take to boost the efficacy the State’s new farm-to-school program and other institutional food purchasing initiatives. We sincerely appreciate this committee’s efforts to find solutions to ensure that our laws support the best interests of the State and the public.

Respectfully,



Daniela Kittinger
Executive Director, Hawai'i Food Policy Council



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February 1, 2016

House Committee on Economic Development & Business

Hearing Date: Tuesday, February 2, 9:00 a.m., Conference Room 312

Honorable Representatives Derek S. K. Kawakami, Chair; Sam Satoru Kong, Vice Chair; and Members of the House Committee on Economic Development & Business

**Subject: HB 2053, Relating to Procurement
TESTIMONY WITH COMMENTS**

Dear Chair Kawakami, Vice Chair Satoru Kong, and Committee Members:

The American Council of Engineering Companies of Hawaii (ACECH) represents more than 70 member firms with over 1,500 employees throughout Hawaii. ACECH is a strong supporter of HRS §103D-304, the State's "qualification-based selection" (QBS) law, which follows the National model procurement code, for procurement of professional services.

HRS §103D-304 shows a strong commitment by the Legislature to follow recognized best practices for the procurement of professional services, particularly for Architect-Engineer design services furnished by licensees under HRS Chapter 464. A robust QBS law reduces corruption and protects the public interest in the award of these potentially large projects. HRS §103D-304 allows for the procurement of design professional services under §103D-307 in an emergency situation.

ACECH is concerned with the potential use of a process other than QBS for the procurement of design professional services and, therefore, respectfully requests the attached revision to the bill.

We appreciate the opportunity to provide testimony on this matter. Please do not hesitate to contact us if you have any questions.

Respectfully submitted,
AMERICAN COUNCIL OF ENGINEERING COMPANIES OF HAWAII

A handwritten signature in black ink that reads "Janice C. Marsters".

Janice C Marsters, PhD
Legislative Committee
808-371-8504

Attachment: Proposed Revised Text, HB2053 Relating to Procurement

Proposed Revised Text (ACECH added text shown in *bold italics*):

SECTION 2. Chapter 103D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§103D- **Special procurement.** (a) Contracts for goods and may be awarded with other than full competition using a special innovative procurement process in accordance with this section and procedures set forth in rules adopted by the procurement policy board; *provided that design professional services furnished by licensees under chapter 464 shall be procured pursuant to section 103D-304 or 103D-307.* The special innovative procurement process authorized by this section shall only be used when the chief procurement officer determines in writing that it is advantageous to the State to use the process for procurement of new or unique requirements of the State, new technologies, public-private partnerships, or to achieve best value.



LATE

Email: communications@ulupono.com

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Tuesday, February 2, 2016 — 9:00 a.m. — Room 312

UluPono Initiative Strongly Supports HB 2053, Relating to Procurement

Dear Chair Kawakami, Vice Chair Kong, and Members of the Committee:

My name is Kyle Datta and I am General Partner of the UluPono Initiative, a Hawai'i-based impact investment company that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase affordable, renewable energy, and reduce waste. We believe that self-sufficiency is essential to our future prosperity, and will help shape a future where economic progress and mission-focused impact can work hand in hand.

UluPono strongly supports HB 2053, which creates a new procurement class for goods and services under the State Procurement Code.

UluPono has identified procuring more locally grown foods by governmental institutions such as hospitals, schools, and prisons as a critical catalyst to expanding locally grown foods and stimulating the rural economy throughout the state. This bill would allow for flexibility within the procurement code to create a customizable procurement process for locally grown foods while enhancing fiduciary discipline. Through a more customized procurement process under the purview of the State Procurement Office, the goal is to provide more transparency on what local food state government purchases. Written business contracts will allow our local farmers to supply the bulk purchases to governmental institutions. Secure contracts provide financial stability and creditworthiness that enables farmers to secure loan financing and greater financial investment. Keeping procurement processes within the Procurement Office, helps to provide liability protection and contract management controls for the State. UluPono believes that HB 2053 provides the appropriate balance between flexibility and fiduciary oversight.

We believe this a better alternative that attempting to exempt categories from the procurement code altogether or allowing local food to charge higher costs through bid formula "adders". Both of these approaches have been tried over the last decade with little success.

Investing in a Sustainable Hawai'i

Currently, at least nine states currently have a program for special procurement, 39 states include options for other than full competition within the procurement code, and all states allow for exemptions of some kind outside of their respective procurement codes.

Over the years, the State has procured tens of millions of dollars worth of food purchases under the procurement code. Yet no one can definitively determine how much has been spent on local vs. imported food. Our goal is to have more of these dollars be spent on local food purchases.

This bill supports efforts that align with our collective goal of providing more locally produced food. As Hawai'i's local food issues become more complex and challenging, institutions need to be creative in addressing and meeting the needs of the marketplace. We appreciate this committee's efforts to look at policies that support local food production.

We believe that by collaborating we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,

Kyle Datta
General Partner

LATE

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
Tuesday, February 2, 2016 – 9:00 AM - Room 312

RE: HB 2053 - Relating to Procurement – In Support

Aloha Chair Kawakami, Vice Chair Kong and Members of the Committee:

The Local Food Coalition supports HB 2053, which establishes a special procurement process of goods and services and requires the establishment of procedures by the procurement policy board for use of the special procurement process.

The Local Food Coalition is an organization comprising of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawai'i's food supply.

One of the priorities of the Local Food Coalition is to help facilitate the State's procurement of locally grown food and this bill will allow for the flexibility to create a procurement process to achieve this. The goal is for Hawaii's agricultural industry to have more opportunity to sell locally grown products to government institutions such as schools, hospital and prisons while providing transparency and accountability.

We respectfully ask for your support of HB 2053. Thank you.

Lori Lum
808-544-8343
llum@wik.com



4 Ag Hawai'i

Hawai'i Aquaculture &
Aquaponics Association

Hawai'i Cattlemen's Council

Hawai'i Farm Bureau
Federation

Hawai'i Farmers' Union
United

Hawai'i Food Industry
Association

Hawai'i Food
Manufacturers Association

Kohala Center

Malama Kaua'i

Maui School Garden
Network

Ulupono Initiative



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Economic Development & Business
Tuesday, February 2, 2016 at 9:00 A.M.
Conference Room 312, State Capitol**

LATE

RE: HOUSE BILL 2053 RELATING TO PROCUREMENT

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2053, which provides for the establishment of a special procurement process for the procurement of goods and services. Also requires the establishment of procedures by the procurement policy board for use of the special procurement process.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The procurement process is in need of improvement. Business and the public want an open, competitive and transparent procurement process. The procurement process must also be timely in the selection and payment for goods and services. In addition, the State is looking for the best value, not necessarily the lowest price.

We know of many small businesses in Hawaii that do not pursue work from the State of Hawaii because of the uncertainty and delays caused by the current procurement process.

We look forward to the Procurement Policy Board's procedures for these new procurement processes.

We appreciate the opportunity to express our support for HB 2053.

Thank you for the opportunity to testify.



Hawaii Cattlemen's Council, Inc.

LATE

**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
REPRESENTATIVE DEREK S.K. KAWAKAMI CHAIR
REPRESENTATIVE SATORU KONG**

DATE: Tuesday, February 2, 2016
TIME: 9:00 AM
PLACE: Conference Room 312

HB 2053 – RELATING TO PROCUREMENT

Provides for the establishment of a special innovative procurement process when it is advantageous to the State to use the process to procure new or unique requirements of the State or new technologies, or to achieve best value.

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

My name is Dale Sandlin, and I am Managing Director of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our 140+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council **supports** HB 2053, providing the establishment of a special innovative procurement process.

This measure works to ensure the state has the flexibility in securing locally grown agricultural products. The current procurement process hinders the ability to secure these products and prevents the state from easily utilizing these products in schools, hospitals and prisons.

We respectfully ask this committee to pass this HB 2053 as this bill is one of the many steps toward Hawaii's food self reliance.

Thank you for giving us the opportunity to testify on this important matter.





LATE

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February 2, 2016

HEARING BEFORE THE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

TESTIMONY ON HB 2053
RELATING TO PROCUREMENT

Room 312
9:00 AM

Aloha Chair Kawakami, Vice Chair Kong, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau Federation (HFB). Organized since 1948, HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

HFB supports HB 2053 which establishes a special procurement process for the procurement of goods and services in order to increase the consumption of locally-grown agricultural products within state institutions.

HFB strongly supports increased use of locally grown agricultural products, fruits, vegetables, meats, dairy and poultry products in our schools and other public institutions.

In 2009, the State enacted ACT 175 which gave Hawaii agricultural products a price preference and included Hawaii agricultural products under the State's procurement code. HFB believed that an agricultural producers' price preference for bidding presented a competitive advantage. This included enjoyment of the small business preference rule that permits an agency to identify certain contracts for competition among small businesses or requires a large business to subcontract with small businesses to provide the products. We believed that the preference helped cultivate a level playing field with out-of-state bidders and created additional market opportunities for Hawaii's farmers and small businesses.

HFB suggested the changes because farmers and ranchers were having a difficult time entering into state supply contracts. During our involvement with this process, it became clear that education at all levels, not just within our group of farmers and ranchers, but

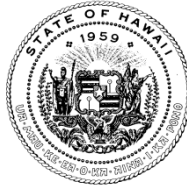
even within the procurement offices, was needed. Although HFB attempted to move everyone in this direction, the training was never accomplished.

In previous sessions, there have been measures that proposed to remove the preference and ease the process required for governmental bodies to acquire local agricultural commodities by exempting Hawaii agricultural producers from the procurement code. This would change the current code back to where it was before HFB's requests to the Legislature modified the language, resulting in the current code.

In previous sessions, when bills were introduced that would revert back to exempting locally-grown agricultural products from the procurement code, HFB has requested clear metrics to help determine the success of the procurement code with the exemption.

The proposed special innovative procurement process will provide the flexibility that should help increase the purchase of more locally grown agricultural products, fruits, vegetables, meats, dairy and poultry products from State institutions.

HFB is committed to work with the Procurement Office to improve and implement a procurement program that will allow Hawaii farmers and ranchers to source more products to State institutions.



LATE

Testimony by:
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRYL T. YOUNG

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 2, 2016
9:00 a.m.
State Capitol, Room 312

**H.B. 2053
RELATING TO PROCUREMENT**

House Committee on Economic Development and Business

The Department of Transportation (DOT) **supports** the intent of this bill which proposes to provide for the establishment of a special innovative procurement process.

Although the DOT utilizes all methods of procurement, there are situations when a procurement method does not fit the DOT purchasing needs. The purpose of a special innovative procurement process may provide the DOT with flexibility in procuring new, unique, and specialized goods, services, or construction within the parameters of the procurement code.

This bill as proposed includes a procurement checks and balances provision (Chief Procurement Officer to provide written determination)¹ intending to ensure the use of a particular innovative procurement is advantageous to the State for new or unique requirements of the State, new technologies, public-private partnerships to achieve best value.

Thank you for the opportunity to provide testimony.

¹ With the intent that the authority will not be delegated to the head of the purchasing agency.

LATE

kong2 - Christie

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 01, 2016 7:43 PM
To: edbtestimony
Cc: acregar@hotmail.com
Subject: *Submitted testimony for HB2053 on Feb 2, 2016 09:00AM*

HB2053

Submitted on: 2/1/2016

Testimony for EDB on Feb 2, 2016 09:00AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Amy Cregar | Individual | Support | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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