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John De Fries President and Chief Executive Officer

Statement of JOHN DE FRIES

Hawai'i Tourism Authority before the COMMITTEE ON LABOR & TOURISM

> March 22, 2022 9:00 a.m. State Capitol via videoconference

In consideration of SENATE BILL NO. 2075 SD1 RELATING TO THE HAWAI'I TOURISM AUTHORITY

Aloha Chair Onishi, Vice Chair Sayama, and members of the Committee on Labor & Tourism.

The Hawai'i Tourism Authority (HTA) would like to provide comments on SB2075 SD1, which requires us to include performance-based incentives in our professional services contracts.

We appreciate and agree with the intent of this bill to ensure that HTA's contractors deliver the best value to the State. The introduction of this bill sparked conversations with lawmakers and internally at HTA on the topic of effective contract management. We stand behind our current efforts and procedures in place to ensure the effective management of our contracts, and we are open to exploring ways to improve them.

At this time, we respectfully request the opportunity to more deeply examine the best types of contract structures for the work we do, and return to the Legislature next session with some suggestions and recommendations to best deliver on the intent of this bill. We will also work with State Procurement Office to further explore contracts with performance-based incentives and how they may or may not benefit the State for the type of work we are performing.

We appreciate the opportunity to provide these comments on SB2075 SD1 and appreciate your consideration of our request to explore this topic more deeply and return to it during the next Legislative session. Mahalo.

<u>SB-2075-SD-1</u>

Submitted on: 3/21/2022 5:27:49 PM Testimony for LAT on 3/22/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Pamela Tumpap	Maui Chamber of Commerce	Support	Written Testimony Only

Comments: