DAVID Y. IGE GOVERNOR OF HAWAII





SUZANNE D. CASE CHAIRPERSON BOARD OF LAND AND NATURAL RESOURCES COMMISSION ON WATER RESOURCE MANAGEMENT

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M. KALEO MANUEL DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES BOATING AND OCEAN RECREATION BUREAU OF CONVEYANCES COMMISSION ON WATER RESOURCE MANAGEMENT CONSERVATION AND COASTAL LANDS CONSERVATION AND RESOURCES ENFORCEMENT ENGINEERING FORESTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAWE ISLAND RESERVE COMMISSION LAND STATE PARKS

STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

Before the Senate Committee on GOVERNMENT OPERATIONS

Tuesday, February 1, 2022 3:00 PM State Capitol, Via Videoconference, Conference Room 016

In consideration of SENATE BILL 2726 RELATING TO PARKING CONCESSIONS

Senate Bill 2726 proposes to exempt parking concessions from the public bidding requirements under the state procurement law. The Department of Land and Natural Resources (Department) strongly supports this measure.

The Department operates vehicle parking plans through its various divisions and has found that being restricted to only offering vehicle parking plans by either Chapter 102 or 103D, Hawaii Revised Statutes (HRS), to be disadvantageous and requests the ability to offer vehicle parking plans using different procurement methods other than being limited to using Chapter 102, HRS. This will give the Department the ability to create parking plans that are more advantageous to the State and can be tailored to specific locations and conditions on a case by case basis. The Department will follow the appropriate procurement code when issuing solicitations for parking services.

Thank you for the opportunity to testify on this measure.

DEPARTMENT OF BUDGET AND FISCAL SERVICES **CITY AND COUNTY OF HONOLULU** 530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813 PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

RICK BLANGIARDI MAYOR



ANDREW T. KAWANO DIRECTOR

CARRIE CASTLE DEPUTY DIRECTOR

TESTIMONY OF ANDREW T. KAWANO DIRECTOR OF BUDGET AND FISCAL SERVICES CITY AND COUNTY OF HONOLULU BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS February 1, 2022, 3:00 PM, Conference Room 016 and Videoconference

- TO: The Honorable Sharon Y. Moriwaki, Chair and Members of the Senate Committee on Government Operations
- RE: OPPOSITION OF SENATE BILL 2726, RELATING TO PARKING CONCESSIONS

The Department of Budget and Fiscal Services, City and County of Honolulu (City), **opposes** Senate Bill (SB) 2726, Relating to Parking Concessions.

Hawaii Revised Statutes ("HRS") 102-1(2) defines "concessions" as meaning to grant a person the privilege to "operate a parking lot on property owned or controlled by the State with the exception of buildings, facilities, and grounds operated by or otherwise under the jurisdiction of the department of education."

Parking concessions can generate large amounts revenue and it should not be exempt from a fair and transparent competitive process. Agencies should factor in potential delays when planning and soliciting concessions, the same as in procurement contracts for services. The City would support a competitive sealed proposal process under HRS Chapter 102, if the State is looking to receive a "best value" option, but highly opposes removing any type of competition, especially for parking lot concessions.

For the reasons stated above, the City respectfully opposes Senate Bill 2726.

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact the Department of Budget & Fiscal Services' Division of Purchasing at 808-768-5535 or <u>bfspurchasing@honolulu.gov</u>.