



**TESTIMONY BY:**

JADE T. BUTAY  
DIRECTOR

Deputy Directors  
ROSS M. HIGASH  
EDUARDO P. MANGLALLAN  
PATRICK H. MCCAIN  
EDWIN H. SNIFFEN

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

March 2, 2022  
9:30 A.M.  
State Capitol, Teleconference

**S.B. 3350, S.D. 1**  
**RELATING TO PROCUREMENT**

Senate Committee(s) on Ways and Means and Judiciary

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The Department of Transportation (DOT) **supports** the bill amending Section 103D-501, Hawaii Revised Statutes, requiring that any procurement change order that increases the cost of a contract by more than fifty per cent of the original contract cost; having a cost increase that, when added to the cost changes of all prior change orders for that contract, increases the cost of a contract by more than fifty per cent of the original contract cost; or that substantially changes the scope of work for a contract, shall be prohibited by rules adopted under subsection (a) and shall be considered a new procurement; provided that the head of the purchasing agency (HOPA) may approve a change order that is otherwise prohibited by this subsection if in a written justification of the approval the HOPA determines that the approval is in the best interest of the State, taking into consideration the purpose and intent of this subsection.

The proposed amendment will support the department's flexibility to address and mitigate unusual circumstances that may arise during the course of the project with appropriate and time-critical action. With HOPA's written justification and approval in determining if change orders are numerous or costly to the extent that it warrants a solicitation for a new contract, the department will be better equipped to ensure appropriate response to act when it is in the best interest of the State, and with a single point of accountability for these decisions.

Thank you for the opportunity to provide testimony.