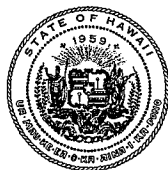


SB2659

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LINDA LINGLE
GOVERNOR



RUSS K. SAITO
Comptroller

SANDRA YAHIRO
Deputy Comptroller

**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEES
ON
JUDICIARY AND GOVERNMENT OPERATIONS
AND
ENERGY AND ENVIRONMENT
ON
February 9, 2010

S.B. 2659

RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE

Chair Taniguchi, Chair Gabbard, and members of the Committees, thank you for opportunity to testify on S.B. 2659. The Department of Accounting and General Services (DAGS) strongly supports this bill's efforts to simplify and streamline the procurement process to enable agencies to procure goods, services and construction in a timely manner. This is especially important when the economy is in a downturn and government procurement can serve to stimulate the economy.

Streamlining the procurement process will make procurement more efficient. Other processes also have a significant effect on the timeliness of contracts, especially contracts for construction, which is expected to have the biggest impact on jobs and stimulating the economic recovery.

The three biggest impacts on the timeliness of construction projects are 1) the time required to design the project, 2) the time required to award/execute a contract after bids and offers are opened, and 3) the time required to start construction on a project after the contract is awarded/executed. These processes are under the control of the procurement officers, the permitting agencies, and the contractors. Management of these processes can be done effectively by setting optimum intervals based on project requirements. Trying to establish standard intervals as part of procurement law will be ineffective because the code applies to not just to construction, but goods and services as well.

While supporting the streamlining that this bill offers, DAGS will continue to go beyond, and seek improvements in the implementation of construction projects by managing the design, award/contract, and start construction intervals.

Thank you for the opportunity to testify on this matter