



UNIVERSITY OF HAWAI'I SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Public Safety, Government Operations, and Military Affairs
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by
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SB 1332 SD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Espero, Vice Chair Kidani and Members of the Committee:

The University of Hawai'i supports SB 1332 SD 1 which would extend the repeal date of Act 82, Session Laws of Hawai'i 2010, from July 1, 2012 to July 1, 2015.

Act 82 provided the University with an exemption, with certain exceptions, from the requirements of the Hawai'i Public Procurement Code (Chapter 103D, HRS), effective July 1, 2010. The intent of this legislation was to afford the University with flexibility to pilot revisions to its procurement procedures to accelerate the acquisition of goods, services, and construction while still obtaining best value and maintaining transparency and fairness in the procurement process.

The President of the University appointed a Task Group consisting of members from other governmental agencies and representatives from the construction and engineering industry to assist the University in developing construction procurement procedures. The Board of Regents approved initial revisions to the University's procurement procedures at its meeting of June 28, 2010, for implementation effective July 1, 2010. The Board subsequently approved the Task Group recommended revisions to these procedures in the area of qualification-based construction procurement at its meeting of September 16, 2010. The University then conducted numerous workshops with the majority of construction related organizations statewide. About 250 contractors attended these workshops and 232 contractors have submitted or are in the process of submitting their statement of qualifications. UH has begun the procurement of construction services for several major projects, such as the Hawaiian Language Building at UH Hilo, and the IT Building at UH Mānoa using these new procedures.

While Act 82 afforded the University a very limited two-year period in which to pilot its revisions to its procurement procedures, SB 1332 SD1 would expand this period to a total of five years. Because new construction projects normally take between 2 to 3 years to complete, this expanded window of time would provide the University with a

more reasonable period to refine further its procurement procedures and to conduct a more comprehensive evaluation and assess the effectiveness of this interim procurement process.

In regard to the annual reports to be submitted under this proposed bill in Section 1, the University suggests the following language be used to specify the scope of these reports to read as follows:

SECTION 4.(a)(4) "A description and status of construction projects in excess of \$5,000,000 procured during the period of time that the University of Hawaii is exempt from chapter 103D, Hawaii Revised Statutes, with certain exceptions, pursuant to this Act;"

SECTION 4.(b)(1)(A) "A list of all construction contracts in excess of \$5,000,000 entered into by the University of Hawaii that are exempt from chapter 103D, Hawaii Revised Statutes, with certain exceptions, pursuant to this Act;"

SECTION 4.(b)(2) "Any formal complaints the University of Hawaii has received from subcontractors in regard to or as a result of section 304A-2690, Hawaii Revised Statutes."

With these amendments, the University strongly supports SB 1332 SD1. Thank you for this opportunity to provide testimony.