



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
March 28, 2013 at 9:05 am  
by  
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HB 114 HD3 SD1 (Part II) – RELATING TO HIGHER EDUCATION

Chair Ige, Vice Chair Kidani, and members of the committee:

Thank you for the opportunity to testify in opposition to this measure.

HB 114 HD3 SD1 Part II proposes to transfer all procurements for construction, including consultant services necessary for such construction for the University of Hawai'i to the department of accounting and general services (DAGS).

This would mean that the University would not have the ability to prioritize, execute and administer the procurement of its construction contracts and consultant services related to its construction contracts. The University would no longer have the ability to direct resources necessary to ensure the timely procurement of construction contracts and consultant services related to construction contracts.

Currently, the University has \$206 million in major construction underway, \$229 million of major projects soon to be procured and \$187 million of health, safety, code, and repairs and maintenance projects in various stages of design and construction, for a total in excess of \$622 million. The University is statutorily required to and is operating in compliance with the procurement code and has demonstrated that it is quite capable of expeditiously procuring its own construction projects. We are concerned that removing the University's authority to procure its own construction projects will adversely impact the upcoming procurement of these projects. In addition, transitioning the functions of procuring construction projects for the University to DAGS will likely take many months during which these projects will be delayed.

Also, this measure would affect all construction at all UH campuses, including repairs and maintenance. Mānoa, Hilo and the Community Colleges have groups of people who currently procure for and control these projects. Should this measure be adopted, the functions of campus facilities management offices and the office of capital improvements, consisting of more than 40 people, would need to be done by DAGS. This would have a severe impact on the operations of those offices, and we are unsure as to whether DAGS has the personnel and resources to assume these functions at this time.

For these reasons the University is in opposition to this bill. Additional comments made by the University of Hawai'i in previous testimonies, while still valid and available for your reference, have been omitted in order to keep this testimony concise.

Thank you for the opportunity to testify on this measure.