



UNIVERSITY OF HAWAI'I SYSTEM

TESTIMONY

SCR 106 SD 2

CONVENING A JOINT LEGISLATIVE TASK FORCE TO REVIEW AND MAKE
RECOMMENDATIONS CONCERNING THE HAWAII PUBLIC PROCUREMENT
CODE

Testimony Presented Before the
House Committee on Economic Development and Business Concerns

April 21, 2005

by

Sam Callejo
Vice President for Administration
University of Hawaii

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Chair Herkes, Vice Chair Wakai and Members of the Committee:

Thank you for this opportunity to testify on SCR 106 SD2, which would convene a joint legislative task force to review and make recommendations concerning the Hawaii public procurement code.

The University of Hawaii believes that the Legislature should restore the University's authority to establish its own procurement policy. The University greatly appreciates the support of the House of Representatives in passing HB 15 which would have restored this authority. Unfortunately, this vital measure has not moved.

The University's authority to establish its own procurement policy was granted by the Legislature in 1998, as part of the widely accepted movement to hold the University more accountable for outcomes while giving it greater autonomy over its operations. The basis in public policy for this authority was strengthened even further in 2000 when the Legislature passed and the people of Hawaii ratified a constitutional amendment specifically to provide the University with the authority and power of self-governance over its internal management and operations.

UH used this authority openly, responsibly and effectively to create a transparent procurement environment that was, accessible, effective and efficient for vendors as well as the University. In so doing the University improved its capacity to support the educational, social and economic development needs of the entire State of Hawaii. The untimely reversal in 2004 of this well-established public policy has already diverted institutional resources from the University's core mission of teaching, research and public service.

The University would be pleased to participate in a task force to improve the Hawaii public procurement code, and we will gladly bring our improvements and experience to the table to share with others for consideration.

But we respectfully urge the full Legislature to take action this session, consistent with well-established public policy and the Constitution of the State of Hawaii, to restore the University's authority to establish its own procurement policy.

We thank the House of Representative for their support this session of HB 15, and for this opportunity to testify before you on SCR 106 SD2.