STAND. COM. REP. NO. 409

Honolulu, Hawaii

Fe 719, 2009

RE: H.B. No. 1758

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred H.B. No. 1758 entitled:

"A BILL FOR AN ACT RELATING TO HAWAII PUBLIC PROCUREMENT CODE,"

begs leave to report as follows:

The purpose of this bill is to make it easier to use federal funds for state projects by allowing government agencies to contract with an offeror without complying with the bid, request for proposals, and professional services procedures of the procurement code when the procurement is:

- (1) Funded by state and federal matching funds; and
- (2) The offeror is a United States General Services Administration-approved (GSA-approved) vendor.

The State Procurement Office opposed this bill.

Although facilitating access to federal funding would serve Hawaii's need to find additional revenue streams, your Committee also recognizes that most GSA-approved vendors are out-of-state businesses, and that there are concerns about the negative impact this bill might have on Hawaii's small businesses. Your Committee believes that dialogue must continue on the issues raised by this bill and has amended it by:

HB1758 HD1 HSCR EBM HMS 2009-2155

- (1) Allowing, rather than requiring, GSA-approved vendors on contracts funded by state and federal matching funds to be exempted from procurement bid, request for proposals, and professional services procedures; and
- (2) Changing the effective date of the bill to July 1, 2112, to encourage further discussion.

A technical, nonsubstantive amendment was made for clarity.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Revitalization, Business, & Military Affairs,

ANGUS L.K. MCKELVEY, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature

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Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: Committe	e Referral: EBM	Date	Feb la	POTC.
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			3
				1
2. CHOY, Isaac W. (VC)	/			
A PERCAL P				
3. BERG, Lyla B.				
4. EVANS, Cindy	/			
5. MANAHAN, Joey	~	-		
6. TAKAI, K. Mark				
7. TOKIOKA, James Kunane				
8. TSUJI, Clift	./			
	Y			
9. WAKAI, Glenn				~
	Card Cold Cold Cold Cold Cold Cold Cold Col			
10. WOOLEY, Jessica	/			
11. WARD, Gene		/		
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TOTAL (11)	7	2	-	ì
The recommendation is: Adopted If joint referral, did not support recommendation. commence acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				