CONFERENCE COMMITTEE REP. NO. 144 - 10

Honolulu, Hawaii Actil 23, 2010 RE: H.B. No. 2133 H.D. 1 S.D. 1 C.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2133, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to require the State Procurement Office to authorize reseller agreements in multi-state contracting agreements and place orders directly with local resellers designated by original equipment manufacturers or other national equipment or products suppliers.

Your Committee on Conference finds that this measure will clarify the law relating to Western States Contracting Alliance multi-state agreements as to which there has been some confusion regarding reseller agreements.



Your Committee on Conference has amended this bill by defining a "local reseller" as one having:

- Its principal place of business or ancillary headquarters located within the state; and
- (2) Not less than 35 percent of its employees residing within the state.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

Your Committee on Conference finds that by requiring government agencies to contract with local resellers, the State positions itself to receive better pricing and better service while promoting local business and increasing Hawaii's tax base.

In addition, it is with regret that agreement could not be reached on the H.D. 1 position giving Hawaii small business a flat procurement preference. Although the procurement code currently contains a small business set-aside, the law is not benefiting small businesses because it is difficult to implement. The H.D. 1 amended the set-aside to establish a flat five percent preference for Hawaii small businesses that would have given small businesses a better opportunity to compete for government contracts.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2133, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2133, H.D. 1, S.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

CAROL FUKUNAGA / Chai



ANGUS L.K. MCKELVEY, Co-Chair



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BRIAN T. TANIGUCHI, Co-Chair

SAAC W. CHOY, Co-Chair

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## Hawaii State Legislature

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## **Record of Votes of a Conference Committee**

Bill / Concurrent Resolution No.: HB 2133, HD 1, SD 1					Date/Time: 04-22-10 1:45 PM				
The recommendation of the H	louse and S	Senate	mana	gers	is to pass with amendments (CD).				
The Committee is reconsideri	ng its prev	ious de	ecisio	n.					
The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
FUKUNAGA, Carol, Chr.	1				MCKELVEY, Angus L.K., Co-Chr.				
TANIGUCHI, Brian T., Co-Chr.					CHOY, Isaac W., Co-Chr.	7			
IGE, David Y.					WARD, Gene	1			
TAKAMINE, Dwight Y.				$\vee$					
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Senate Recommendation is:					House Recommendation is:				
Adopted INot Adopted					Adopted Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Sig	gnature	:		
Carol Jukings					140				
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