STAND. COM. REP. NO. (714 -22

Honolulu, Hawaii FEB 18 , 2022

RE: H.B. No. 1909 H.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred H.B. No. 1909, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require the State Procurement Office to give preference to a bank or credit union domiciled in Hawaii to provide services for a purchasing card program.

Your Committee received testimony in support of this measure from Na Po'e Kokua and two individuals. Your Committee received testimony in opposition to this measure from the State Procurement Office.

Your Committee finds that it is important that the state government utilize local businesses and entities whenever practically possible to direct the State's vast internal operational resources toward supporting Hawaii's economic infrastructure. Additionally, your Committee finds that locally chartered financial institutions invest more predominantly in Hawaii thereby creating opportunities for Hawaii's families and businesses. Your Committee further finds that by giving a special bid preference to local financial institutions for the State's financial service contracts, like in other areas of the country,



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it would serve the fairness and balance of the Hawaii Public Procurement Code while protecting the State's interests.

Your Committee has amended this measure by:

- Broadening the requirement for the State Procurement Office to give preference to a bank or credit union domiciled in Hawaii to provide services to include providing for all state financial services;
- (2) Requiring the preference to evaluate, along with any other published criteria in the solicitation, considerations including but not limited to community ratio investments, financial reserves, customer service history within the State, obligations to the State, as well as other criteria determined by the State Procurement Office or other contracting agency;
- (3) Establishing the bid preference requirement within existing law that encourages the use of Hawaii products by bidders to support the local industry;
- (4) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1909, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1909, H.D. 2, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on behalf of the members of the Committee on Government Reform,

ANGUS L.K. MCKELVEY, Chair

2022-1567 HB1909 HD2 HSCR HMSO-1

State of Hawaii

House of Representatives The Thirty-first Legislature

Record of Votes of the Committee on Government Reform

Bill/Resolution No.: HB 1909 HD1 G	e Referral: VR, CP	Date	Z-11e	- 22
The committee is reconsidering its previous decision on the measure.				
The recommendation is to:				
GVR Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)			and the second	
2. WILDBERGER, Tina (VC)			的现在分词新开幕	
3. ELI, Stacelynn K.M.				
4. ICHIYAMA, Linda	\searrow	, , , , , , , , , , , , , , , , , , ,	en ny indritra ny inana dia kaominina dia kaominina dia kaominina dia kaominina dia kaominina dia kaominina dia	an an an an an Anna an Anna an Anna an
5. MIZUNO, John M.			e en altrest de la desta de la de	ster av grade et alle and the second
6. WOODSON, Justin H.				
7. YAMASHITA, Kyle T			tas Xel Clarator Hother (o philipa na Balana
8 WARD, Gene	lanapara amalina ta cana aran a cara mu anna fisih			ing and an and a second se
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TOTAL (8)	7	1	R	X
The recommendation is: Image: Adopted image: Adopt				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				