

STAND. COM. REP. NO.

409

Honolulu, Hawaii

Feb 19, 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



