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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE UNIVERSITY OF HAWAII PROCUREMENT INSTITUTE TO  
REVIEW THE POLICIES AND REQUIREMENTS IN THE AWARDING OF  
STATE ENERGY SERVICE CONTRACTS.

1           WHEREAS, Hawaii continues to produce and support local  
2 companies that advance cutting-edge approaches to make  
3 government, business, and other private ventures more energy  
4 efficient in order to save the State money and resources; and  
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6           WHEREAS, Hawaii is home to a number of competitive energy  
7 services companies that contribute to the overall workforce of  
8 our State as well as the expansion of the "green" economy; and  
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10          WHEREAS, the State of Hawaii has an interest in making the  
11 facilities it owns and leases more energy efficient to save  
12 taxpayer dollars; and  
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14          WHEREAS, the state procurement code generally requires that  
15 agencies award contracts for energy efficiency projects to the  
16 lowest bidder; and  
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18          WHEREAS, low-bid contracts for energy efficiency projects  
19 do not necessarily result in the best efficiency for the State;  
20 and  
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22          WHEREAS, in 2008, the Department of Accounting and General  
23 Services adopted a list of preferred vendors for retrofitting  
24 state offices and buildings with energy efficient lighting  
25 fixtures; and  
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27          WHEREAS, a majority of the pre-qualified vendors are based  
28 on the mainland United States, and, therefore much of the  
29 revenue from the services being purchased by the State leaves  
30 the State; and  
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1 WHEREAS, many of the vendors pre-qualified by the  
2 Department of Accounting and General Services depend on smaller  
3 local vendors in order to fulfill their contracts with the  
4 State; and  
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6 WHEREAS, these local vendors are qualified, technically and  
7 financially, to undertake energy retrofit projects that would  
8 normally go to larger out-of-state vendors; and  
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10 WHEREAS, it is in the State's interest to nurture and grow  
11 the engineering, design, and financial capabilities of local  
12 energy services companies so that they may employ more of  
13 Hawaii's intellectual labor resources; now, therefore,  
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15 BE IT RESOLVED by the House of Representatives of the  
16 Twenty-fifth Legislature of the State of Hawaii, Regular Session  
17 of 2010, the Senate concurring, that the University of Hawaii  
18 Procurement Institute is requested to review and if necessary  
19 convene a working group to review the pre-qualification criteria  
20 for "preferred vendor" status and request proposals used to  
21 award contracts for work on state contracts performed by energy  
22 service providers. The working group may consist of the  
23 Department of Accounting and General Services, the Administrator  
24 of the State Procurement Office, the High Technology Development  
25 Corporation, and other interested and affected parties; and  
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27 BE IT FURTHER RESOLVED that the working group's assessments  
28 are requested to include, but not be limited to:  
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- 30 (1) Determining whether state contracts for energy  
31 efficiency projects may be divided into "large" and  
32 "small" contracts to enable local energy service  
33 companies to compete more aggressively for state  
34 projects; for example, whether Hawaii based energy  
35 services companies can be given preference for state  
36 projects that are five hundred thousand square feet or  
37 less;  
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- 39 (2) Examining the economic benefits of requiring the State  
40 to allow locally-owned energy services companies to  
41 provide direct services to the State to assess,  
42 design, and implement energy-saving projects and use  
43 municipal leases as the project funding source;  
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1           (3) Examining ways to incentivize partnerships between  
2           local and out-of-state companies for energy efficiency  
3           projects at state facilities; and  
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5           BE IT FURTHER RESOLVED that the working group is requested  
6           to submit a report of its findings to the Legislature not later  
7           than twenty days prior to the convening of the Regular Session  
8           of 2011; and  
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10           BE IT FURTHER RESOLVED that certified copies of this  
11           Concurrent Resolution be transmitted to the Comptroller, the  
12           Administrator of the State Procurement Office, the Director of  
13           the University of Hawaii Procurement Institute, and the  
14           Executive Director of the High Technology Development  
15           Corporation.

