
HOUSE 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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32 WHEREAS, many of the vendors pre-qualified by the
33 Department of Accounting and General Services depend on smaller



1 local vendors in order to fulfill their contracts with the
2 State; and

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4 WHEREAS, these local vendors are qualified, technically and
5 financially, to undertake energy retrofit projects that would
6 normally go to larger out-of-state vendors; and

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8 WHEREAS, it is in the State's interest to nurture and grow
9 the engineering, design, and financial capabilities of local
10 energy services companies so that they may employ more of
11 Hawaii's intellectual labor resources; now, therefore,

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13 BE IT RESOLVED by the House of Representatives of the
14 Twenty-fifth Legislature of the State of Hawaii, Regular Session
15 of 2010, that the University of Hawaii Procurement Institute is
16 requested to review and if necessary convene a working group to
17 review the pre-qualification criteria for "preferred vendor"
18 status and request proposals used to award contracts for work on
19 state contracts performed by energy service providers. The
20 working group may consist of the Department of Accounting and
21 General Services, the Administrator of the State Procurement
22 Office, the High Technology Development Corporation, and other
23 interested and affected parties; and

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25 BE IT FURTHER RESOLVED that the working group's assessments
26 are requested to include, but not be limited to:

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28 (1) Determining whether state contracts for energy
29 efficiency projects may be divided into "large" and
30 "small" contracts to enable local energy service
31 companies to compete more aggressively for state
32 projects; for example, whether Hawaii based energy
33 services companies can be given preference for state
34 projects that are five hundred thousand square feet or
35 less;

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37 (2) Examining the economic benefits of requiring the State
38 to allow locally-owned energy services companies to
39 provide direct services to the State to assess,
40 design, and implement energy-saving projects and use
41 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 Resolution be transmitted to the Comptroller, the Administrator
12 of the State Procurement Office, the Director of the University
13 of Hawaii Procurement Institute, and the Executive Director of
14 the High Technology Development Corporation.

