

Honolulu, Hawaii

April 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:

- (1) 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.

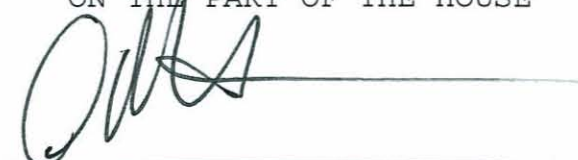
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2133, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached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

ON THE PART OF THE HOUSE


ANGUS L.K. MCKELVEY, Co-Chair




BRIAN T. TANIGUCHI, Co-Chair


ISAAC W. CHOY, Co-Chair



