

Honolulu, Hawaii

Feb 12, 2010

RE: H.B. No. 2133.

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, &
Military Affairs, to which was referred H.B. No. 2133 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this bill is to improve efficiency within the
government procurement process by:

- (1) Amending the procurement code to make public contracts
effective as of the notice of the award;
- (2) Specifying that the solicitation, offer, bid, or
proposal and the award notice constitute the entire
contract; and
- (3) Providing that a subsequent written and executed
contract is not required.

The General Contractors Association of Hawaii and the Hawaii
Farm Bureau Federation supported this bill. The Department of
Accounting and General Services, State Procurement Office (SPO),
and Electrical Contractors Association of Hawaii opposed this
measure.



This bill is intended to streamline and make the procurement process more flexible and responsive, while retaining its transparency. Your Committee has amended this bill by:

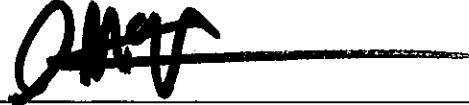
- (1) Requiring that contracts will be deemed effective ten days after the notice of the award;
- (2) Establishing that an award must be made within 45 days of the initial request for proposal but in no case later than 15 days after the proposal is due;
- (3) Requiring the SPO to authorize reseller agreements in multi state contracting agreements;
- (4) Amending the small business set-aside law to require the Procurement Policy Board to adopt rules to promote the growth and development of Hawaii small businesses that would include a five percent price preference for qualified businesses; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

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 amendments to the set-aside establish a flat five per cent preference for Hawaii small businesses that should give small businesses a better opportunity to compete for government contracts.

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. 2133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2133, 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



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCE 347-10

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: HB 2133	Committee Referral: EBM / PIM	Date: 2/11/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. CHOY, Isaac W. (VC)	/			
3. BERG, Lyla B.	.	/		
4. EVANS, Cindy	/			
5. MANAHAN, Joey				/
6. TAKAI, K. Mark	/			
7. TOKIOKA, James Kunane				/
8. TSUJI, Clift	/			
9. WAKAI, Glenn	/			
10. WOOLEY, Jessica	/			
11. WARD, Gene	/			
TOTAL (11)	8	1		2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Isaac W. Choy</i>				
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