

Honolulu, Hawaii

MAR 19 2010

RE: H.B. No. 2133
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Economic Development and Technology, to which was referred H.B. No. 2133, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to amend various provisions of the State Procurement Code by:

- (1) Setting time limits on awards in the request for proposal process; making public contracts effective as of the notice of the award; specifying that the solicitation, offer, bid, or proposal and the award notice constitute the entire contract; and providing that a subsequent written and executed contract is not required;
- (2) Requiring the State Procurement Office to authorize reseller agreements in multi-state contracting agreements; and
- (3) Requiring the Procurement Policy Board to adopt rules to promote Hawaii small businesses.

Testimony in support of this measure was submitted by Commercial Data Systems. Testimony in opposition of this measure was submitted by the County of Hawaii Finance Department, County of Maui Department of Finance, City and County of Honolulu



Department of Design and Construction, City and County of Honolulu Department of Budget and Fiscal Services, and City and County of Honolulu Department of Environmental Services. Comments for this measure were submitted by the Department of Accounting and General Services, State Procurement Office, and General Contractors Association of Hawaii.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has heard a number of concerns regarding this measure, in particular the proposed imposition of a strict forty-five day interval for the period between a project being advertised and when the contract is executed. Your Committee understands that the interval between a project being advertised and awarded is based on several considerations, including the size and complexity of the project, as well as the source selection method that is used, and that the forty-five day limit is not practicable in all cases.

Your Committee has replaced the language in this measure with the language from S.B. No. 2291, S.D. 2, which was previously heard and approved by this Committee, with minor amendments proposed by the State Procurement Office. As amended, this measure:

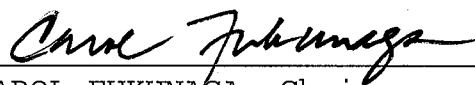
- (1) Deletes the provisions that would set time limits on awards in the request for proposal process; make public contracts effective as of the notice of the award; specify that the solicitation, offer, bid, or proposal and the award notice constitute the entire contract; and provide that a subsequent written and executed contract is not required;
- (2) In reseller agreements, requires the State Procurement Office to place orders directly with local resellers; provided they are authorized and designated by original equipment manufacturers or other national equipment or products suppliers;
- (3) Deletes the provisions related to preferences for Hawaii small businesses;
- (4) Deletes the severability provisions and adds savings clause provisions; and



- (5) Makes technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2133, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2133, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Technology,

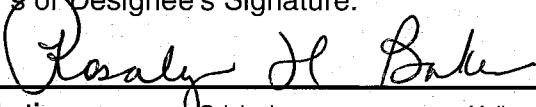


CAROL FUKUNAGA, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* HB 2133 HD 1	Committee Referral: EDT, JGO	Date: 3-17-2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
HEE, Clayton				✓
IGE, David Y.	✓			
SLOM, Sam		✓		
TOTAL	3	1	—	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes