

Honolulu, Hawaii

March 19, 2010

RE: S.B. No. 2291
S.D. 2
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 S.B. No. 2291, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this bill is to encourage increased competition and lowered costs in government procurements by requiring:

- (1) The State Procurement Office (SPO) to authorize reseller agreements under Western States Contracting Alliance (WSCA) multi-state contracting agreements; and
- (2) SPO to place orders directly with local resellers.

The High Technology Development Corporation supported the intent of this bill. SPO and Department of Accounting and General Services provided comments.

WSCA is an alliance of purchasing directors from 15 western states whereby participating states capture the best pricing through cooperative contracting. Once a brand determination is made by WSCA, there is no incentive for the chosen contractor to offer additional discounts below the negotiated price. If

SB2291 HD1 HSCR EBM HMS 2010-2598



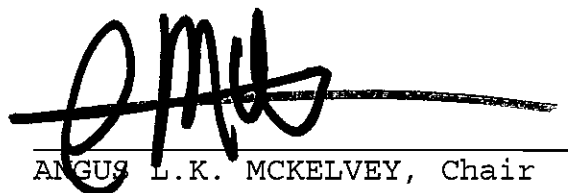
contractors use resellers, or servicing contractors, to sell a contractor's products, the resellers compete for buyers by offering additional discounts. This bill ensures that Hawaii reaps the benefits of this kind of competition.

Your Committee has amended this bill by:

- (1) Replacing the term "local resellers" with "resellers located within the state";
- (2) Directing that the Chief Procurement Officer, rather than SPO, authorize reseller agreements and place orders with resellers located within the state;
- (3) Limiting this bill to procurements of information technology; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 2291, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2291, S.D. 2, 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 895-10

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

Bill/Resolution No.: SB 2291 SD2 2601	SSCR	Committee Referral: EBM, FIN	Date: 3/4/10	
<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)	7			4
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: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				