
SENATE CONCURRENT RESOLUTION

REQUESTING THE RENAMING OF AND THE EXTENSION OF THE PROMPT
PAYMENT TASK FORCE TO DEVELOP RECOMMENDATIONS TO ADDRESS
ISSUES THAT AFFECT PROCUREMENT FOR GOODS AND SERVICES
PURCHASED THROUGH NONPROFIT ORGANIZATIONS, INCLUDING HUMAN
SERVICE NONPROFIT ORGANIZATIONS THAT DELIVER PIVOTAL GOODS
AND SERVICES TO INDIVIDUALS, FAMILIES, COMMUNITIES, AND
OTHER SMALL BUSINESSES.

1 WHEREAS, nationally, state and local governments contract
2 with nonprofit organizations - particularly human service
3 organizations - to deliver pivotal services to individuals,
4 families, and communities; and
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6 WHEREAS, in October 2010, the Urban Institute released
7 three related reports, including a "National Study of Nonprofit-
8 Government Contracting, State Profiles", which outlined a
9 variety of problems faced by these nonprofits; and
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11 WHEREAS, key problems included payments not covering full
12 program costs, complex and time-consuming applications and
13 reporting, changes to contractual and grant agreements, and late
14 payments; and
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16 WHEREAS, in Hawaii, one hundred sixty-one human service
17 nonprofits provided services to state and county government in
18 2009, and fifty per cent of the nonprofits reported problems
19 with late payments, which is substantially higher than the
20 national average of forty-one per cent; and
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22 WHEREAS, small businesses that contract with governments
23 report the same concerns and face the same negative
24 consequences, and both nonprofits and businesses struggle to
25 make ends meet in an economy that has faltered; and
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27 WHEREAS, upon adoption of Senate Concurrent Resolution
28 No. 28, S.D. 2, in 2011, the Comptroller established a prompt



1 payment task force and invited as initial members of the task
2 force, at least one member from each of the following:

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- 4 (1) The State Procurement Office of the Department of
- 5 Accounting and General Services;
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- 7 (2) The Department of Budget and Finance;
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- 9 (3) The Department of Health;
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- 11 (4) The Department of Human Services;
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- 13 (5) The Hawaii Alliance of Nonprofit Organizations;
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- 15 (6) The Building Industry Association of Hawaii or The
- 16 Pacific Resource Partnership;
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- 18 (7) The Senate Committee on Economic Development and
- 19 Technology;
- 20
- 21 (8) The Senate Committee on Human Services;
- 22
- 23 (9) The Senate Committee on Public Safety, Government
- 24 Operations, and Military Affairs;
- 25
- 26 (10) The House of Representatives Committee on Economic
- 27 Revitalization and Business;
- 28
- 29 (11) The House of Representatives Committee on Human
- 30 Services; and
- 31
- 32 (12) The House of Representatives Committee on Public
- 33 Safety and Military Affairs; and
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35 WHEREAS, the prompt payment task force has held at least
36 three meetings since August 2011, and the chairs of the Senate
37 Committee on Economic Development and Technology and the House
38 of Representatives Committee on Economic Revitalization and
39 Business assumed responsibility for co-chairing the task force
40 after the Comptroller's transition to the Office of the Governor
41 in September 2011; and

42
43 WHEREAS, while the prompt payment task force has identified
44 a number of areas of concern, the members have determined that



1 further work by the task force is necessary to complete the
2 tasks requested in Senate Concurrent Resolution No. 28, S.D. 2;
3 and

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5 WHEREAS, in addition, recommendations of the task force
6 will benefit from pilot projects involving the use of
7 "dashboard" and other information technology infrastructure
8 enhancements proposed for implementation in 2012; now,
9 therefore,

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11 BE IT RESOLVED by the Senate of the Twenty-sixth
12 Legislature of the State of Hawaii, Regular Session of 2012, the
13 House of Representatives concurring, that the prompt payment
14 task force is requested to be renamed as the purchase of
15 services procurement task force and extended until December 31,
16 2012; and

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18 BE IT FURTHER RESOLVED that a representative of The Chamber
19 of Commerce of Hawaii be invited to serve as a member of the
20 task force; and

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22 BE IT FURTHER RESOLVED that the purchase of services
23 procurement task force is requested to develop recommendations
24 to address issues that affect procurement for goods and services
25 purchased through nonprofit organizations, including human
26 service nonprofit organizations that deliver pivotal goods and
27 services to individuals, families, communities, and other small
28 businesses; and

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30 BE IT FURTHER RESOLVED that in developing these
31 recommendations, the purchase of services procurement task force
32 is requested to:

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34 (1) Examine procurement issues from the initial contract
35 phase through service delivery, and issues relating to
36 payment when invoices are submitted;

37
38 (2) Identify areas that can be simplified and standardized
39 between government agencies, the State Procurement
40 Office, and the parties contracted to deliver
41 services; and

42
43 (3) Develop the scope of a "dashboard" demonstration
44 project that utilizes designated contract areas in the



1 Department of Health, Department of Human Services,
2 and Department of Public Safety to test business
3 process improvements or other approaches to streamline
4 the procurement process, with the goal of clarifying
5 problem areas and solutions for government agencies
6 and the parties contracted to provide services; and
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8 BE IT FURTHER RESOLVED that the purchase of services
9 procurement task force is requested to submit a report of its
10 findings and recommendations to the Legislature no later than
11 December 31, 2012; and
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13 BE IT FURTHER RESOLVED that the purchase of services
14 procurement task force, upon the request of the Legislature,
15 participate in a joint informational briefing to discuss its
16 report; and
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18 BE IT FURTHER RESOLVED that certified copies of this
19 Concurrent Resolution be transmitted to the Chief of Staff,
20 Office of the Governor; the Comptroller; the Administrator of
21 the State Procurement Office, Department of Accounting and
22 General Services; the Director of Finance; the Director of
23 Health; the Director of Human Services; the Chair of the Board
24 of Directors of the Hawaii Alliance of Nonprofit Organizations;
25 the President of the Building Industry Association of Hawaii;
26 the Executive Director of The Pacific Resource Partnership; the
27 President of The Chamber of Commerce of Hawaii; the Chair of the
28 Senate Committee on Economic Development and Technology; the
29 Chair of the Senate Committee on Human Services; the Chair of
30 the Senate Committee on Public Safety, Government Operations,
31 and Military Affairs; the Chair of the House of Representatives
32 Committee on Economic Revitalization and Business; the Chair of
33 the House of Representatives Committee on Human Services; and
34 the Chair of the House of Representatives Committee on Public
35 Safety and Military Affairs.

