

Honolulu, Hawaii

MAR 15 2012

RE: S.C.R. No. 40  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committees on Economic Development and Technology and Public Safety, Government Operations, and Military Affairs, to which was referred S.C.R. No. 40 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE EXTENSION OF THE PROMPT PAYMENT TASK FORCE TO DEVELOP RECOMMENDATIONS TO ADDRESS ISSUES THAT AFFECT PROMPT PAYMENT 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,"

beg leave to report as follows:

The purpose and intent of this measure is to request that the prompt payment task force:

- (1) Be extended until December 31, 2012;
- (2) Develop recommendations to address issues that affect prompt payment 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;
- (3) Submit a report of its findings and recommendations to the Legislature no later than December 31, 2012; and



- (4) Upon the request of the Legislature, participate in a joint informational briefing to discuss its report.

Your Committees made available a proposed S.D. 1, which would:

- (1) Rename the prompt payment task force as the purchase of services procurement task force;
- (2) Invite a representative of The Chamber of Commerce of Hawaii to serve as a member of the task force; and
- (3) Request the task force to:
  - (A) Examine procurement issues from the initial contract phase through service delivery, and issues relating to payment when invoices are submitted;
  - (B) Identify areas that can be simplified and standardized between government agencies, the State Procurement Office, and the parties contracted to deliver services; and
  - (C) Develop the scope of a "dashboard" demonstration project that utilizes designated contract areas in the Department of Health, Department of Human Services, and Department of Public Safety to test business process improvements or other approaches to streamline the procurement process, with the goal of clarifying problem areas and solutions for government agencies and the parties contracted to provide services.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Human Services and the Office of Information Management and Technology. Your Committees received comments on the proposed S.D. 1 from the State Procurement Office.

Your Committees find that the prompt payment task force met during the fall of 2011 and has identified a number of areas of concern. The members have determined, however, that further work by the task force is necessary and that clarification of the issues to be addressed will assist the task force in completing its work.



Your Committees further find that the amendments in the proposed S.D. 1, and those offered in testimony before your Committees, address these issues and provide task force members with clearer guidelines as they develop recommendations to the Legislature.

Your Committees have further amended this measure to incorporate recommendations regarding the proposed S.D. 1, by:

- (1) Renaming the task force as the government contracting task force;
- (2) Inviting the State's Chief Information Officer and a representative of the Department of Accounting and General Services contracting services to serve as members of the task force; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Public Safety, Government Operations, and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 40, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 40, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committees on Economic  
Development and Technology and  
Public Safety, Government  
Operations, and Military  
Affairs,



WILL ESPERO, Chair



CAROL FUKUNAGA, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

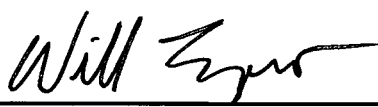
**Record of Votes**  
**Committee on Economic Development and Technology**  
**EDT**

Bill / Resolution No.:* <b>SCR 40</b>	Committee Referral: <b>EDT/PGM, WAM</b>	Date: <b>2/9/12</b>		
<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)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
SOLOMON, Malama				✓
SLOM, Sam	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Public Safety, Government Operations, and**  
**Military Affairs**  
**PGM**

Bill / Resolution No.:* <b>SCR 40</b>	Committee Referral: <b>EDT/PGM, WAMA</b>	Date: <b>3-9-12</b>		
<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
ESPERO, Will (C)	✓			
KIDANI, Michelle N. (VC)				✓
BAKER, Rosalyn H.	✓			
RYAN, Pohai				✓
SLOM, Sam	✓			
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">  </div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

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