

---

---

# SENATE CONCURRENT RESOLUTION

REQUESTING THE EXTENSION OF THE GOVERNMENT CONTRACTING 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  
5

6           WHEREAS, in October 2010, the Urban Institute released  
7 three related reports, including one titled "National Study of  
8 Nonprofit-Government Contracting, State Profiles", which  
9 outlined a variety of problems faced by these nonprofits; and  
10

11           WHEREAS, key problems included payments that fail to cover  
12 full program costs; complex and time-consuming applications and  
13 reporting; changes to contractual and grant agreements; and late  
14 payments; and  
15

16           WHEREAS, in Hawaii, one hundred sixty-one human service  
17 nonprofit organizations provided services to state and county  
18 government in 2009, and fifty per cent of the nonprofit  
19 organizations reported problems with late payments, which is  
20 substantially higher than the national average of forty-one per  
21 cent; and  
22

23           WHEREAS, small businesses that contract with government  
24 agencies report the same concerns and face the same negative  
25 consequences, and both nonprofit organizations and businesses  
26 struggle to make ends meet in an economy that has faltered; and  
27



1           WHEREAS, upon adoption of Senate Concurrent Resolution No.  
2 28, S.D. 2, in 2011, the Comptroller established a prompt  
3 payment task force and invited the initial members of the task  
4 force; and

5  
6           WHEREAS, upon adoption of Senate Concurrent Resolution No.  
7 40, S.D. 1, H.D. 1 in 2012, the prompt payment task force was  
8 renamed the government contracting task force, had its term  
9 extended, and its scope narrowed; and

10  
11           WHEREAS, the government contracting task force has held at  
12 least four meetings since September 2012; and

13  
14           WHEREAS, while the government contracting task force  
15 identified a number of areas of concern, the members have  
16 determined that further work by the task force is necessary to  
17 complete the tasks requested in Senate Concurrent Resolution No.  
18 40, S.D. 1, H.D. 1 (2012); and

19  
20           WHEREAS, in addition, recommendations of the task force  
21 will benefit from pilot projects involving the use of  
22 "dashboard" and other information technology infrastructure  
23 enhancements proposed for implementation in 2013; now,  
24 therefore,

25  
26           BE IT RESOLVED by the Senate of the Twenty-seventh  
27 Legislature of the State of Hawaii, Regular Session of 2013, the  
28 House of Representatives concurring, that the government  
29 contracting task force is extended until June 30, 2013; and

30  
31           BE IT FURTHER RESOLVED that all members of the government  
32 contracting task force are invited to remain and serve as  
33 members and that the chairperson of the task force may invite  
34 other members; and

35  
36           BE IT FURTHER RESOLVED that the government contracting task  
37 force is requested to finalize recommendations that were  
38 initially recommended in the task force's 2012 interim report to  
39 the 2013 legislature to address issues that affect procurement  
40 for goods and services purchased through nonprofit  
41 organizations, including human service nonprofit organizations  
42 that deliver pivotal goods and services to individuals,  
43 families, communities, and other small businesses; and



1 BE IT FURTHER RESOLVED that in finalizing these  
2 recommendations, the government contracting task force is  
3 requested to:

- 4
- 5 (1) Report on its examination of state contracting  
6 processes, from the initial planning phase through  
7 service delivery, and issues relating to payment when  
8 invoices are submitted;
  - 9
  - 10 (2) Make recommendations on processes that can be  
11 simplified and standardized between government  
12 agencies, the State Procurement Office, the Department  
13 of Accounting and General Services, the Department of  
14 the Attorney General, and the parties contracted to  
15 deliver services; and
  - 16
  - 17 (3) Evaluate the "dashboard" demonstration project that  
18 utilizes designated contract areas in the Department  
19 of Health, Department of Human Services, and  
20 Department of Public Safety to test business process  
21 improvements or other approaches and make  
22 recommendations to streamline the contracting process,  
23 with the goal of clarifying problem areas and  
24 solutions for government agencies and the parties  
25 contracted to provide services; and
  - 26

27 BE IT FURTHER RESOLVED that the government contracting task  
28 force is requested to submit a report of its findings and  
29 recommendations to the Legislature no later than June 30, 2013;  
30 and

31

32 BE IT FURTHER RESOLVED that the government contracting task  
33 force, upon the request of the Legislature, participate in a  
34 joint informational briefing to discuss its report; and

35

36 BE IT FURTHER RESOLVED that certified copies of this  
37 Concurrent Resolution be transmitted to the Chief of Staff,  
38 Office of the Governor; Chief Information Officer; Attorney  
39 General; Comptroller; Administrator of the State Procurement  
40 Office, Department of Accounting and General Services; Director  
41 of Finance; Director of Health; Director of Human Services;  
42 Chairperson of the Board of Directors of the Hawaii Alliance of  
43 Nonprofit Organizations; President of the Building Industry  
44 Association of Hawaii; Executive Director of The Pacific



1 Resource Partnership; President of The Chamber of Commerce of  
2 Hawaii; Chairperson of the Senate Committee on Economic  
3 Development, Government Operations and Housing; Chairperson of  
4 the Senate Committee on Human Services; Chairperson of the  
5 Senate Committee on Public Safety, Intergovernmental and  
6 Military Affairs; Chairperson of the House of Representatives  
7 Committee on Economic Development and Business; Chairperson of  
8 the House of Representatives Committee on Human Services; and  
9 Chairperson of the House of Representatives Committee on Public  
10 Safety.  
11

