

# SCR41

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.



**Testimony to the Senate Committee on Economic Development, Government  
Operations and Housing  
Monday, March 25, 2013 at 2:50 P.M.  
Conference Room 016, State Capitol**

**RE: SCR 41 REQUESTING THE EXTENSION OF THE GOVERNMENT  
CONTRACTING TASK FORCE**

Chair Dela Cruz, Vice Chair Slom, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** SCR 47 Requesting the extension of the government contracting task force.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

SCR 41 extends the task force to June 30, 2013. We also support the additional requirements of:

- Examining and reporting on the state contracting processes, from the initial planning phase through service delivery, and issues relating to payment when invoices are submitted;
- Make recommendations on processes that can be simplified and standardized between government agencies, the State Procurement Office, the Department of Accounting and General Services, the Department of the Attorney General, and the parties contracted to deliver services; and
- Evaluate the "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 and make recommendations to streamline the contracting process, with the goal of clarifying problem areas and solutions for government agencies and the parties contracted to provide services;

A recent nationwide Nonprofit State of the Sector study conducted by the California-based Nonprofit Finance Fund showed that those who received state or local funding experienced late payments by government.

Thank you for the opportunity to testify.



March 23, 2013

Senator Donovan Dela Cruz  
Chair, Committee on Economic Development Government Operations and Housing  
Hawaii State Senate  
State Capitol, Room 16  
Honolulu, HI 96813

**SCR 41-REQUESTING AN EXTENSION OF THE GOVERNMENT  
CONTRACTING TASK FORCE**

Dear Chair Dela Cruz, Vice-Chair Slom and members of the EGH Committee:

The Hawai'i Alliance of Nonprofit Organizations strongly supports SCR 41, which calls for an extension of the Government Contracting Force, which was legislated in the 2011 Legislature as the Prompt Payment Task Force and extended in 2012 as the Government Contracting Task Force.

HANO has representation on the task force. It is a statewide, sector-wide professional association for nonprofits. HANO members provide essential services to every community in the state. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i.

The task force has been meeting since the summer of 2011 and has covered much ground in understanding the obstacles to prompt government contract payments to predominantly nonprofit health and human service providers through 103F contracts.

Due to the complexity of the issue and the fact that delayed payments are symptoms of larger systemic challenges; the task force requires more time to find solutions agreeable to all.

With a granted extension, task force discussions will continue to focus on the higher systemic issues that include contracting and payment processes, communication, technology, accountability, transparency, education and training for both government and providers.

The fact that many of the government contracting challenges are technology-oriented presents an opportunity to feed information to and align with the goals of the State's Chief Information Officer in his endeavor to modernize IT, business systems, HR and financial and tax systems for state government. For these reasons, we support SCR 41. Thank you for the opportunity to testify.

Mahalo,  
Lisa Maruyama, President and CEO, HANO  
Member, Government Contracting Task Force