

Honolulu, Hawaii

February 11, 2014

RE: H.B. No. 2471

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 2471 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to continue to support small business vendors while increasing government efficiency by increasing the threshold requiring compliance verification with all business laws in the State by a procurement officer for the small purchase method of procurement within the scope of the Hawaii Compliance Express.

The Department of Budget and Fiscal Services of the City and County of Honolulu testified in support of this bill. The Tax Foundation of Hawaii provided comments.

The Hawaii Compliance Express, launched in 2005, is an electronic system that allows vendors doing business with state or county agencies to quickly and easily obtain proof that they are compliant with all applicable laws. By providing an online "Certificate of Vendor Compliance", Hawaii Compliance Express provides an expeditious method by which a vendor can furnish this proof to a contracting agency. This single certificate eliminates the need to obtain individual hard copies of certificates from the Internal Revenue Service, Department of Taxation, Department of Labor and Industrial Relations, and Department of Commerce and Consumer Affairs, thus saving the vendor time and money in the contracting process.

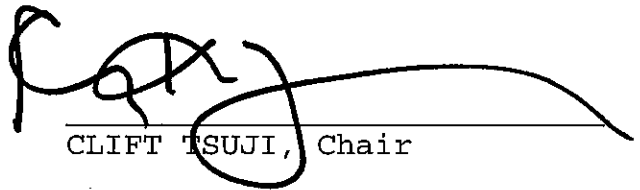
HB2471 HSCR EDB HMS 2014-1790



When the Hawaii Compliance Express was initially established, a vendor had to provide proof of compliance to receive a contract in excess of \$15,000. Act 190, Session Laws of Hawaii 2011, reduced this amount to \$2,500. However, lowering this threshold affected state and county agencies, slowing the processing of smaller contracts. Increasing the threshold to \$5,000 will still provide economic opportunities to small businesses while allowing government agencies to operate more quickly and efficiently.

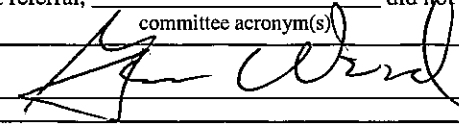
As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2471 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,


CLIFT TSUJI, Chair



Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 2471	Committee Referral: EDB, FIN	Date: 2/17/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	/			
2. WARD, Gene (VC)	/			
3. AWANA, Karen	/			
4. BROWER, Tom				/
5. CACHOLA, Romy M.				/
6. ITO, Ken	/			
7. CHOY, Isaac W.	/			
8. OHNO, Takashi	/			
9. ONISHI, Richard H.K.	/			
10. TOKIOKA, James Kunane	/			
11. WOOLEY, Jessica				/
TOTAL (11)	8			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) _____ did not support recommendation.				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				