

STAND. COM. REP. NO. 674 -22

Honolulu, Hawaii
FEB 18 , 2022

RE: H.B. No. 1909
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred
H.B. No. 1909, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to require the State
Procurement Office to give preference to a bank or credit union
domiciled in Hawaii to provide services for a purchasing card
program.

Your Committee received testimony in support of this measure
from Na Po'e Kokua and two individuals. Your Committee received
testimony in opposition to this measure from the State Procurement
Office.

Your Committee finds that it is important that the state
government utilize local businesses and entities whenever
practically possible to direct the State's vast internal
operational resources toward supporting Hawaii's economic
infrastructure. Additionally, your Committee finds that locally
chartered financial institutions invest more predominantly in
Hawaii thereby creating opportunities for Hawaii's families and
businesses. Your Committee further finds that by giving a special
bid preference to local financial institutions for the State's
financial service contracts, like in other areas of the country,



it would serve the fairness and balance of the Hawaii Public Procurement Code while protecting the State's interests.

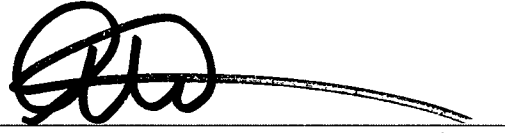
Your Committee has amended this measure by:

- (1) Broadening the requirement for the State Procurement Office to give preference to a bank or credit union domiciled in Hawaii to provide services to include providing for all state financial services;
- (2) Requiring the preference to evaluate, along with any other published criteria in the solicitation, considerations including but not limited to community ratio investments, financial reserves, customer service history within the State, obligations to the State, as well as other criteria determined by the State Procurement Office or other contracting agency;
- (3) Establishing the bid preference requirement within existing law that encourages the use of Hawaii products by bidders to support the local industry;
- (4) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1909, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1909, H.D. 2, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Government Reform,

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by 'L.K.' and a long horizontal flourish extending to the right.

ANGUS L.K. MCKELVEY, Chair



