HOUSE RESOLUTION

REQUESTING THE UNIVERSITY OF HAWAII PROCUREMENT INSTITUTE TO REVIEW THE POLICIES AND REQUIREMENTS IN THE AWARDING OF STATE ENERGY SERVICE CONTRACTS.

WHEREAS, Hawaii continues to produce and support local companies that advance cutting-edge approaches to make government, business, and other private ventures more energy efficient in order to save the State money and resources; and

WHEREAS, Hawaii is home to a number of competitive energy services companies that contribute to the overall workforce of our State as well as the expansion of the "green" economy; and

WHEREAS, the State of Hawaii has an interest in making the facilities it owns and leases more energy efficient to save taxpayer dollars; and

WHEREAS, the state procurement code generally requires that agencies award contracts for energy efficiency projects to the lowest bidder; and

WHEREAS, low-bid contracts for energy efficiency projects do not necessarily result in the best efficiency for the State; and

WHEREAS, in 2008, the Department of Accounting and General Services adopted a list of preferred vendors for retrofitting state offices and buildings with energy efficient lighting fixtures; and

WHEREAS, a majority of the pre-qualified vendors are based on the mainland United States, and, therefore much of the revenue from the services being purchased by the State leaves the State; and

WHEREAS, many of the vendors pre-qualified by the Department of Accounting and General Services depend on smaller
local vendors in order to fulfill their contracts with the State; and

WHEREAS, these local vendors are qualified, technically and financially, to undertake energy retrofit projects that would normally go to larger out-of-state vendors; and

WHEREAS, it is in the State's interest to nurture and grow the engineering, design, and financial capabilities of local energy services companies so that they may employ more of Hawaii's intellectual labor resources; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-fifth Legislature of the State of Hawaii, Regular Session of 2010, that the University of Hawaii Procurement Institute is requested to review and if necessary convene a working group to review the pre-qualification criteria for "preferred vendor" status and request proposals used to award contracts for work on state contracts performed by energy service providers. The working group may consist of the Department of Accounting and General Services, the Administrator of the State Procurement Office, the High Technology Development Corporation, and other interested and affected parties; and

BE IT FURTHER RESOLVED that the working group's assessments are requested to include, but not be limited to:

1. Determining whether state contracts for energy efficiency projects may be divided into "large" and "small" contracts to enable local energy service companies to compete more aggressively for state projects; for example, whether Hawaii based energy services companies can be given preference for state projects that are five hundred thousand square feet or less;

2. Examining the economic benefits of requiring the State to allow locally-owned energy services companies to provide direct services to the State to assess, design, and implement energy-saving projects and use municipal leases as the project funding source;
(3) Examining ways to incentivize partnerships between local and out-of-state companies for energy efficiency projects at state facilities; and

BE IT FURTHER RESOLVED that the working group is requested to submit a report of its findings to the Legislature not later than twenty days prior to the convening of the Regular Session of 2011; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Comptroller, the Administrator of the State Procurement Office, the Director of the University of Hawaii Procurement Institute, and the Executive Director of the High Technology Development Corporation.