

FEB 20 2013

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
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6 WHEREAS, in October 2010, the Urban Institute released
7 three related reports, including a "National Study of Nonprofit-
8 Government Contracting, State Profiles", which outlined a
9 variety of problems faced by these nonprofits; and
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11 WHEREAS, key problems included payments not covering full
12 program costs, complex and time-consuming applications and
13 reporting, changes to contractual and grant agreements, and late
14 payments; and
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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
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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
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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

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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

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

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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

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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,

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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

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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

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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

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

- 4 (1) Report on its examination of state contracting
5 processes, from the initial planning phase through
6 service delivery, and issues relating to payment when
7 invoices are submitted;
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9 (2) Make recommendations on processes that can be
10 simplified and standardized between government
11 agencies, the State Procurement Office, the Department
12 of Accounting and General Services, the Department of
13 the Attorney General, and the parties contracted to
14 deliver services; and
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16 (3) Evaluate the "dashboard" demonstration project that
17 utilizes designated contract areas in the Department
18 of Health, Department of Human Services, and
19 Department of Public Safety to test business process
20 improvements or other approaches and make
21 recommendations to streamline the contracting process,
22 with the goal of clarifying problem areas and
23 solutions for government agencies and the parties
24 contracted to provide services; and
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26 BE IT FURTHER RESOLVED that the government contracting task
27 force is requested to submit a report of its findings and
28 recommendations to the Legislature no later than June 30, 2013;
29 and
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31 BE IT FURTHER RESOLVED that the government contracting task
32 force, upon the request of the Legislature, participate in a
33 joint informational briefing to discuss its report; and
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35 BE IT FURTHER RESOLVED that certified copies of this
36 Concurrent Resolution be transmitted to the Chief of Staff,
37 Office of the Governor; the Chief Information Officer; the
38 Attorney General; the Comptroller; the Administrator of the
39 State Procurement Office, Department of Accounting and General
40 Services; the Director of Finance; the Director of Health; the
41 Director of Human Services; the Chairperson of the Board of
42 Directors of the Hawaii Alliance of Nonprofit Organizations; the
43 President of the Building Industry Association of Hawaii; the
44 Executive Director of The Pacific Resource Partnership; the



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1 President of The Chamber of Commerce of Hawaii; the Chairperson
2 of the Senate Committee on Economic Development and Housing; the
3 Chairperson of the Senate Committee on Human Services; the
4 Chairperson of the Senate Committee on Public Safety and
5 Military Affairs; the Chairperson of the House of
6 Representatives Committee on Economic Revitalization and
7 Business; the Chairperson of the House of Representatives
8 Committee on Human Services; and the Chairperson of the House of
9 Representatives Committee on Public Safety and Military Affairs.

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OFFERED BY: David Yee

