

Honolulu, Hawaii

APR 28 2017

RE: S.B. No. 149
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 149, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose and intent of this measure is to:

- (1) Repeal the requirement that all applicants for procurement contracts for health and human services possess all licenses necessary to conduct the subject business; and
- (2) Repeal the requirement that all contracts for health and human services include only costs, fees, and taxes that are reflected in the proposal.

Your Committee on Conference finds that the requirement that potential contractors obtain licensure prior to being awarded a state contract for health or human services has served as a



significant barrier to new providers entering the service system, as providers typically will not obtain licensure prior to being awarded a contract. Your Committee on Conference further finds that the Hawaii Administrative Rules already require applicants to obtain necessary licenses prior to the start of contract services, and that the original intent of this law is no longer being served because its implementation has resulted in an overly restricted marketplace which has chilled healthy business competition amongst qualified health and human services providers. Thus, your Committee on Conference finds that the repeal of this law is necessary for the efficient processing of contracts for health and human services.

Your Committee on Conference has amended this measure by making it effective upon its approval.

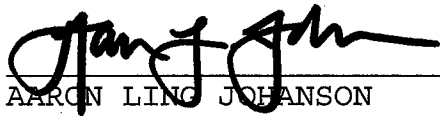
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 149, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 149, H.D. 1, C.D. 1.



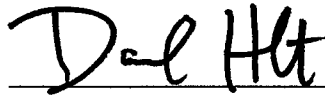
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



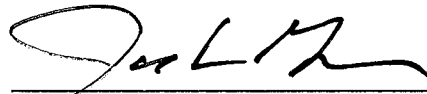
AARON LING JOHANSON
Co-Chair



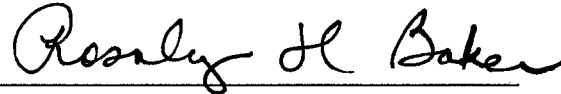
DANIEL HOLT
Co-Chair



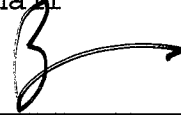
DONNA MERCADO KIM
Chair



JOSH GREEN
Co-Chair



ROSALYN H. BAKER
Co-Chair



BRICKWOOD GALUTERIA
Co-Chair



