

**INTERIM REPORT OF THE
GOVERNMENT CONTRACTING TASK FORCE
(FORMERLY THE PROMPT PAYMENT TASK FORCE)
TO THE LEGISLATURE FOR
THE REGULAR SESSION OF 2013**

**In Accordance with
Senate Concurrent Resolution 28, Senate Draft 2 (2011) and
Senate Concurrent Resolution 40, Senate Draft 1, House Draft 1 (2012)**

STATE OF HAWAII

December 2012

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GOVERNMENT CONTRACTING TASK FORCE
(FORMERLY THE PROMPT PAYMENT TASK FORCE)
TO THE LEGISLATURE FOR
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Executive Summary

Senate Concurrent Resolution 28, Senate Draft 2 (2011) (see Appendix A), requested the Comptroller to establish a Prompt Payment Task Force to examine and resolve issues that prevent state agencies from making prompt payment for goods and services purchased through nonprofit organizations.

Pursuant to the Concurrent Resolution, the Task Force was formed in 2011 consisting of members from the Legislature, various state departments, and private entities. During the 2011 legislative interim, the Task Force was unable to come to a consensus regarding its recommendations within the allotted time.

Senate Concurrent Resolution 40, Senate Draft 1, House Draft 1 (2012) extended the Prompt Payment Task Force for an additional year, added members (the State's Chief Information Officer, a representative from the Department of Accounting and General Services' Contracting Services Agency, and a member of the Chamber of Commerce of Hawaii) and renamed it the Government Contracting Task Force. In addition to the tasks assigned to the Task Force pursuant to S.C.R. 28 (2011), the Government Contracting Task Force was also requested to:

- (1) *Examine state contracting from the initial planning phase through service delivery, and issues relating to payment when invoices are submitted;*
- (2) *Identify areas that can be simplified and standardized between government agencies, the State Procurement Office, the Department of Accounting and*

General Services, the Department of the Attorney General, and the parties contracted to deliver services; and

- (3) *Develop the scope of a "dashboard" demonstration project that utilizes designated contract areas in the Department of Health, Department of Human Services, and Department of Public Safety to test business process improvements or other approaches to streamline the contracting process, with the goal of clarifying problem areas and solutions for government agencies and the parties contracted to provide services;*

The task force held several public meetings during the 2012 legislative interim to discuss the various items raised for review under S.C.R. 40, S.D. 1, H.D. 1 (2012).

Based upon its discussion and actions taken, the task force recommended the following:

- (1) The term Task Force should be extended to June 30, 2013;
- (2) The Legislature should adopt the attached concurrent resolution (Appendix D);
- (3) The recommendations of the working group (Appendix C) should be adopted, including first establishing a lead identity or governance council to govern the dashboard, which should then work toward the other recommendations of the working group including:
 - (a) The provision of coordinated training for departments and providers;
 - (b) The standardization and simplification of the best practices;
 - (c) The standardization of interpretation requirements across contracts, invoices, deliverables, reporting and processes;
 - (d) The review and possible streamlining of budget execution policies;

- (e) The establishment of collaborative communication and coordination across departments, divisions, providers for contracting, payments, and deliverables;
- (f) The development and implementation of interdepartmental sharing of best practices for contracting and payment; and
- (g) The development, implementation, and sharing of contracting best practices among non-profits.

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Senate Concurrent Resolution 28, Senate Draft 2 (2011)

Senate Concurrent Resolution 28, Senate Draft 2 (2011) (SCR 28) (See Appendix A), established a Prompt Payment Task Force to examine and resolve issues that prevent state agencies from making prompt payment for goods and services purchased through nonprofit organizations, particularly human service nonprofit organizations, that deliver pivotal goods and services to individuals, families and communities. (See Appendix A)

As the rationale for the Concurrent Resolution, the Legislature found that most nonprofit organizations experienced problems with their government contracts and grants including payments not covering full program costs, complex and time-consuming applications and reporting, changes to contractual and grant agreements, and late payments.

The Concurrent Resolution also required the Task Force to submit a report of its findings and recommendations, including any proposed legislation, to the 2012 Legislature and to participate in a joint informational briefing to discuss its report.

The Prompt Payment Task Force conducted three meetings, but could not complete its work within the allotted timeframe. Members disagreed on the scope of the Task Force's work, resulting in insufficient time to frame recommendations. Ultimately, the members were unable to come to a consensus on specific recommendations to complete a report. However, the members did agree on the use of the State of Hawaii Chief Information Officer's dashboard pilot project to help identify problems regarding payments.

On February 1, 2012, Senator Carol Fukunaga and Representative Angus McKelvey informed the Senate President and Speaker of the House that they would be requesting an extension of the Prompt Payment Task Force through a Concurrent Resolution.

Senate Concurrent Resolution 40, Senate Draft 1, House Draft 1 (2012)

Senate Concurrent Resolution 40, Senate Draft 1, House Draft 1 (2012) (S.C.R. 40) (See Appendix A), extended the Prompt Payment Task Force to December 31, 2012, and renamed it the Government Contracting Task Force. In addition to the tasks assigned to the Task Force pursuant to S.C.R. 28, S.C.R. 40 requested that the Task Force:

- (1) *Examine state contracting from the initial planning phase through service delivery, and issues relating to payment when invoices are submitted;*
- (2) *Identify areas that can be simplified and standardized between government agencies, the State Procurement Office, the Department of Accounting and General Services, the Department of the Attorney General, and the parties contracted to deliver services; and*
- (3) *Develop the scope of a "dashboard" demonstration project that utilizes designated contract areas in the Department of Health, Department of Human Services, and Department of Public Safety to test business process improvements or other approaches to streamline the contracting process, with the goal of clarifying problem areas and solutions for government agencies and the parties contracted to provide services;*

S.C.R. 40 also invited the State's Chief Information Officer, a representative of the Department of Accounting and General Services' contracting services agency, and a representative of The Chamber of Commerce of Hawaii to serve as members. (See Appendix B for a complete list of Task Force Member.)

Transition of the Prompt Payment Task Force to the Government Contracting Task Force - Actions Taken During the 2012 Legislative Interim

Following the transition of Comptroller Bruce Coppa to the Office of the Governor, Senator Carol Fukunaga served as acting chair of the Task Force. Following Senator Fukunaga's transition to the Honolulu City Council, Senator David Ige served as the acting chair.

All participants in the SCR 28 Prompt Payment Task Force discussions were invited to be members of the Government Contracting Task Force. Pursuant to S.C.R. 40, the Task Force also added additional members. A list of the government contracting task force members is available in Appendix B.

Following the Regular Session of 2012, the Task Force reconvened in a series of public meetings between September and December 2012, specifically on September 5, October 9, November 14, and December 12. All public meetings were held at the State Capitol. A quorum of the members was present at each meeting. During these meetings, the Task Force narrowed the scope of the items to be studied, established a methodology to study those items, and developed recommendations.

During October to December 2012, a working group was established to develop recommendations for the Task Force.

Scope of Study

S.C.R. 40 (2012) built upon the tasks assigned to the Prompt Payment Task Force established pursuant to S.C.R. 28 (2011) by more specifically outlining what issues the renamed Task Force should study along with setting forth the scope as follows:

BE IT FURTHER RESOLVED that the government contracting task force is requested 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; and

BE IT FURTHER RESOLVED that in developing these recommendations, the government contracting task force is requested to:

- (1) Examine state contracting from the initial planning phase through service delivery, and issues relating to payment when invoices are submitted;*
- (2) Identify areas that can be simplified and standardized between government agencies, the State Procurement Office, the Department of Accounting and General Services, the Department of the Attorney General, and the parties contracted to deliver services; and*
- (3) Develop the scope of a "dashboard" demonstration project that utilizes designated contract areas in the Department of Health, Department of Human Services, and Department of Public Safety to test business process improvements or other approaches to streamline the contracting process, with the goal of clarifying problem areas and solutions for government agencies and the parties contracted to provide services; and*

BE IT FURTHER RESOLVED that the government contracting task force is requested to submit a report of its findings and recommendations to the Legislature no later than December 31, 2012; and

BE IT FURTHER RESOLVED that the government contracting task force, upon the request of the Legislature, participate in a joint informational briefing to discuss its report;

Preliminary Findings and Recommendations to the Legislature

Although the procurement process for services provided under Chapter 103F, Hawaii Revised Statutes is clear, there are other factors that may exacerbate the planning, procuring, contracting and payment processes. Factors that impact State agencies may include funding and allocation constraints, limited staffing, staff training and implementing procedures to streamline departmental processes for procurement, contracting and payments. On the other hand, factors that impact the non-profit organizations may include limited staffing and training to familiarize

staff with the policies and requirements involved in the State procurement, contracting and payment processes.

There is an overriding need to create consistent, standardized policies, procedures, processes, training, and technology across the Chapter 103F, Hawaii Revised Statutes, business processes for departments, agencies, vendors, and contractors. Implementation of a dashboard would increase payment efficiency by tracking payment status, identifying deficiencies in invoicing, and measuring performance.

The task force recommends the following:

- (1) The term Task Force should be extended to June 30, 2013;
- (2) The Legislature should adopt the attached concurrent resolution (Appendix C);
- (3) The recommendations of the working group should be adopted including first establishing a lead identity or governance council to govern the dashboard, which should then work toward the other recommendations of the working group including:
 - (a) The provision of coordinated training for departments and providers;
 - (b) The standardization and simplification of the best practices;
 - (c) The standardization of interpretation requirements across contracts, invoices, deliverables, reporting and processes;
 - (d) The review and possible streamlining of budget execution policies;

- (e) The establishment of collaborative communication and coordination across departments, divisions, providers for contracting, payments, and deliverables;
- (f) The development and implementation of interdepartmental sharing of best practices for contracting and payment; and
- (g) The development, implementation, and sharing of contracting best practices among non-profits.

Reference Materials

Collaborations for Government-Nonprofit Contracting Reform Preliminary Report:
November 2012, National Council of Non Profits

SENATE CONCURRENT RESOLUTION

REQUESTING THE ESTABLISHMENT OF A PROMPT PAYMENT TASK FORCE TO EXAMINE AND RESOLVE ISSUES THAT PREVENT STATE AGENCIES FROM MAKING PROMPT PAYMENT FOR GOODS AND SERVICES PURCHASED THROUGH NONPROFIT ORGANIZATIONS, PARTICULARLY HUMAN SERVICE NONPROFIT ORGANIZATIONS, THAT DELIVER PIVOTAL GOODS AND SERVICES TO INDIVIDUALS, FAMILIES, AND COMMUNITIES.

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
5

6 WHEREAS, in October 2010, the Urban Institute released
7 three related reports, including a "National Study of
8 Nonprofit-Government Contracting, State Profiles", which
9 outlined a variety of problems faced by these nonprofits; and
10

11 WHEREAS, nationally, nearly thirty-three thousand human
12 service providers had almost two hundred thousand government
13 contracts in 2009; and
14

15 WHEREAS, despite the prevalence and importance of
16 government contracting, most nonprofits experienced some
17 problems with their government contracts and grants; and
18

19 WHEREAS, key problems included payments not covering full
20 program costs, complex and time-consuming applications and
21 reporting, changes to contractual and grant agreements, and late
22 payments; and
23

24 WHEREAS, in Hawaii, one hundred and sixty-one human service
25 nonprofits provided services to state and county government in
26 2009, and fifty per cent of the nonprofits reported problems
27 with late payments, which is substantially higher than the
28 national average of forty-one per cent; and
29



1 WHEREAS, nonprofits are not alone in dealing with the
2 problems outlined in the Urban Institute data; and
3

4 WHEREAS, small businesses that contract with governments
5 report the same concerns and face the same negative
6 consequences, and both nonprofits and businesses struggle to
7 make ends meet in an economy that continues to falter; now,
8 therefore,
9

10 BE IT RESOLVED by the Senate of the Twenty-sixth
11 Legislature of the State of Hawaii, Regular Session of 2011, the
12 House of Representatives concurring, that the Comptroller is
13 requested to establish a prompt payment task force; and
14

15 BE IT FURTHER RESOLVED that the Comptroller is requested to
16 invite the initial members of the task force, including at least
17 one member from each of the following:
18

- 19 (1) The State Procurement Office of the Department of
20 Accounting and General Services;
21
- 22 (2) The Department of Budget and Finance;
23
- 24 (3) The Department of Health;
25
- 26 (4) The Department of Human Services;
27
- 28 (5) The Hawaii Alliance of Nonprofit Organizations;
29
- 30 (6) The Building Industry Association of Hawaii or The
31 Pacific Resource Partnership;
32
- 33 (7) The Senate Committee on Economic Development and
34 Technology;
35
- 36 (8) The Senate Committee on Human Services;
37
- 38 (9) The Senate Committee on Public Safety, Government
39 Operations, and Military Affairs;
40
- 41 (10) The House of Representatives Committee on Economic
42 Revitalization and Business;
43



1 (11) The House of Representatives Committee on Human
2 Services; and
3

4 (12) The House of Representatives Committee on Public
5 Safety and Military Affairs; and
6

7 BE IT FURTHER RESOLVED that the prompt payment task force
8 is requested to examine and resolve issues that prevent state
9 agencies from making prompt payment for goods and services
10 purchased through nonprofit organizations, particularly human
11 service nonprofit organizations, that deliver pivotal goods and
12 services to individuals, families, and communities; and
13

14 BE IT FURTHER RESOLVED that the prompt payment task force
15 is requested to submit a report of its findings and
16 recommendations, including any proposed legislation, to the
17 Legislature no later than twenty days prior to the convening of
18 the Regular Session of 2012; and
19

20 BE IT FURTHER RESOLVED that the prompt payment task force,
21 upon the request of the Legislature, participate in a joint
22 informational briefing to discuss its report; and
23

24 BE IT FURTHER RESOLVED that certified copies of this
25 Concurrent Resolution be transmitted to the Comptroller; the
26 Administrator of the State Procurement Office, Department of
27 Accounting and General Services; the Director of Finance; the
28 Director of Health; the Director of Human Services; the Chair of
29 the Board of Directors of the Hawaii Alliance of Nonprofit
30 Organizations; the President of the Building Industry
31 Association of Hawaii; the Executive Director of The Pacific
32 Resource Partnership; the Chair of the Senate Committee on
33 Economic Development and Technology; the Chair of the Senate
34 Committee on Human Services; the Chair of the Senate Committee
35 on Public Safety, Government Operations, and Military Affairs;
36 the Chair of the House of Representatives Committee on Economic
37 Revitalization and Business; the Chair of the House of
38 Representatives Committee on Human Services; and the Chair of
39 the House of Representatives Committee on Public Safety and
40 Military Affairs.
41
42



SENATE CONCURRENT RESOLUTION

REQUESTING THE RENAMING OF AND THE EXTENSION OF THE PROMPT
PAYMENT 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
5

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
10

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
15

16 WHEREAS, in Hawaii, one hundred sixty-one human service
17 nonprofits provided services to state and county government in
18 2009, and fifty per cent of the nonprofits reported problems
19 with late payments, which is substantially higher than the
20 national average of forty-one per cent; and
21

22 WHEREAS, small businesses that contract with governments
23 report the same concerns and face the same negative
24 consequences, and both nonprofits and businesses struggle to
25 make ends meet in an economy that has faltered; and
26

27 WHEREAS, upon adoption of Senate Concurrent Resolution
28 No. 28, S.D. 2, in 2011, the Comptroller established a prompt



1 payment task force and invited as initial members of the task
2 force, at least one member from each of the following:

- 3
- 4 (1) The State Procurement Office of the Department of
5 Accounting and General Services;
- 6
- 7 (2) The Department of Budget and Finance;
- 8
- 9 (3) The Department of Health;
- 10
- 11 (4) The Department of Human Services;
- 12
- 13 (5) The Hawaii Alliance of Nonprofit Organizations;
- 14
- 15 (6) The Building Industry Association of Hawaii or The
16 Pacific Resource Partnership;
- 17
- 18 (7) The Senate Committee on Economic Development and
19 Technology;
- 20
- 21 (8) The Senate Committee on Human Services;
- 22
- 23 (9) The Senate Committee on Public Safety, Government
24 Operations, and Military Affairs;
- 25
- 26 (10) The House of Representatives Committee on Economic
27 Revitalization and Business;
- 28
- 29 (11) The House of Representatives Committee on Human
30 Services; and
- 31
- 32 (12) The House of Representatives Committee on Public
33 Safety and Military Affairs; and
- 34

35 WHEREAS, the prompt payment task force has held at least
36 three meetings since August 2011, and the chairs of the Senate
37 Committee on Economic Development and Technology and the House
38 of Representatives Committee on Economic Revitalization and
39 Business assumed responsibility for co-chairing the task force
40 after the Comptroller's transition to the Office of the Governor
41 in September 2011; and

42

43 WHEREAS, while the prompt payment task force has identified
44 a number of areas of concern, the members have determined that



1 further work by the task force is necessary to complete the
2 tasks requested in Senate Concurrent Resolution No. 28, S.D. 2;
3 and
4

5 WHEREAS, in addition, recommendations of the task force
6 will benefit from pilot projects involving the use of
7 "dashboard" and other information technology infrastructure
8 enhancements proposed for implementation in 2012; now,
9 therefore,
10

11 BE IT RESOLVED by the Senate of the Twenty-sixth
12 Legislature of the State of Hawaii, Regular Session of 2012, the
13 House of Representatives concurring, that the prompt payment
14 task force is requested to be renamed as the government
15 contracting task force and extended until December 31, 2012; and
16

17 BE IT FURTHER RESOLVED that the State's Chief Information
18 Officer, a representative of the Department of Accounting and
19 General Services contracting services, and a representative of
20 The Chamber of Commerce of Hawaii be invited to serve as members
21 of the task force; and
22

23 BE IT FURTHER RESOLVED that the government contracting task
24 force is requested to develop recommendations to address issues
25 that affect procurement for goods and services purchased through
26 nonprofit organizations, including human service nonprofit
27 organizations that deliver pivotal goods and services to
28 individuals, families, communities, and other small businesses;
29 and
30

31 BE IT FURTHER RESOLVED that in developing these
32 recommendations, the government contracting task force is
33 requested to:
34

- 35 (1) Examine state contracting from the initial planning
36 phase through service delivery, and issues relating to
37 payment when invoices are submitted;
38
- 39 (2) Identify areas that can be simplified and standardized
40 between government agencies, the State Procurement
41 Office, the Department of Accounting and General
42 Services, the Department of the Attorney General, and
43 the parties contracted to deliver services; and
44



1 (3) Develop the scope of a "dashboard" demonstration
2 project that utilizes designated contract areas in the
3 Department of Health, Department of Human Services,
4 and Department of Public Safety to test business
5 process improvements or other approaches to streamline
6 the contracting process, with the goal of clarifying
7 problem areas and solutions for government agencies
8 and the parties contracted to provide services; and
9

10 BE IT FURTHER RESOLVED that the government contracting task
11 force is requested to submit a report of its findings and
12 recommendations to the Legislature no later than December 31,
13 2012; and
14

15 BE IT FURTHER RESOLVED that the government contracting task
16 force, upon the request of the Legislature, participate in a
17 joint informational briefing to discuss its report; and
18

19 BE IT FURTHER RESOLVED that certified copies of this
20 Concurrent Resolution be transmitted to the Chief of Staff,
21 Office of the Governor; the Chief Information Officer; the
22 Attorney General; the Comptroller; the Administrator of the
23 State Procurement Office, Department of Accounting and General
24 Services; the Director of Finance; the Director of Health; the
25 Director of Human Services; the Chair of the Board of Directors
26 of the Hawaii Alliance of Nonprofit Organizations; the President
27 of the Building Industry Association of Hawaii; the Executive
28 Director of The Pacific Resource Partnership; the President of
29 The Chamber of Commerce of Hawaii; the Chair of the Senate
30 Committee on Economic Development and Technology; the Chair of
31 the Senate Committee on Human Services; the Chair of the Senate
32 Committee on Public Safety, Government Operations, and Military
33 Affairs; the Chair of the House of Representatives Committee on
34 Economic Revitalization and Business; the Chair of the House of
35 Representatives Committee on Human Services; and the Chair of
36 the House of Representatives Committee on Public Safety and
37 Military Affairs.
38



Appendix B

Members of the task force, in alphabetical order, were:

- (1) Sharon Abe, Chief, Administrative Services Office, Department of Health*
- (2) Sanjeev "Sonny" Bhagowalia, CIO, Office of Information Management & Technology
- (3) John Cheung, Owner CC Engineering, Building Industry Association of Hawaii**
- (4) Suzanne Chun Oakland, Senator, Chair of the Senate Committee on Human Services
- (5) Will Espero, Senator, Chair of the Senate Committee on Public Senate Safety, Government Operations & Military Affairs
- (6) Aaron Fujioka, Administrator, State Procurement Office of the Department of Accounting and General Services
- (7) Carol Fukunaga, Senator, Chair of the Senate Committee Economic Development & Technology***
- (8) Blair Goto, Deputy Attorney General, Department of the Attorney General****
- (9) Edwin Igarashi, Fiscal Management Officer, Department of Human Services
- (10) David Ige, Senator, Chair of the Senate Committee on Ways and Means***
- (11) Lisa Maruyama, President & CEO, Hawaii Alliance of Nonprofit Organizations
- (12) Cindy McMillan, Legislative Liaison, Pacific Resource Partnership**
- (13) Sherry Menor-McNamara, COO Senior VP Government Affairs, Chamber of Commerce of Hawaii
- (14) John Mizuno, Representative, Chair of the House Committee on Human Services
- (15) Dean Seki, Comptroller, Department of Accounting and General Services
- (16) Keith Yamamoto, Deputy Director, Department of Health*
- (17) Kalbert Young, Director, Department of Budget and Finance
- (18) A member of the House Committee on Economic Revitalization & Business
- (19) A member of the House Public Safety and Military Affairs Committee

*Sharon Abe represented the Department of Health at the October 9, 2012 and November 14, 2012 meetings. Keith Yamamoto represented the Department of Health at the September 5, 2012 meeting. Both were present at the December 12, 2012 meeting.

**S.C.R. 28 (2011) and S.C.R. 40 (2012) invited "at least one member from . . . The Building Industry Association of Hawaii or The Pacific Resource Partnership."

***David Ige succeeded Carol Fukunaga.

****Blair Goto was added as a member at the December 12, 2012 meeting.

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
5

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
10

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
15

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
22

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
27

.C.R. NO.

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

- 4
- 5 (1) Report on its examination of state contracting
6 processes from the initial planning phase through
7 service delivery, and issues relating to payment when
8 invoices are submitted;
9
 - 10 (2) Make recommendations on processes that can be
11 simplified and standardized between government
12 agencies, the State Procurement Office, the Department
13 of Accounting and General Services, the Department of
14 the Attorney General, and the parties contracted to
15 deliver services; and
16
 - 17 (3) Evaluate the "dashboard" demonstration project that
18 utilizes designated contract areas in the Department
19 of Health, Department of Human Services, and
20 Department of Public Safety to test business process
21 improvements or other approaches and make
22 recommendations to streamline the contracting process,
23 with the goal of clarifying problem areas and
24 solutions for government agencies and the parties
25 contracted to provide services; and
26

27 BE IT FURTHER RESOLVED that the government contracting task
28 force is requested to submit a report of its findings and
29 recommendations to the Legislature no later than June 30, 2013;
30 and
31

32 BE IT FURTHER RESOLVED that the government contracting task
33 force, upon the request of the Legislature, participate in a
34 joint informational briefing to discuss its report; and
35

36 BE IT FURTHER RESOLVED that certified copies of this
37 Concurrent Resolution be transmitted to the Chief of Staff,
38 Office of the Governor; the Chief Information Officer; the
39 Attorney General; the Comptroller; the Administrator of the
40 State Procurement Office, Department of Accounting and General
41 Services; the Director of Finance; the Director of Health; the
42 Director of Human Services; the Chairperson of the Board of
43 Directors of the Hawaii Alliance of Nonprofit Organizations; the
44 President of the Building Industry Association of Hawaii; the

.C.R. NO.

1 Executive Director of The Pacific Resource Partnership; the
2 President of The Chamber of Commerce of Hawaii; the Chairperson
3 of the Senate Committee on Economic Development and Housing; the
4 Chairperson of the Senate Committee on Human Services; the
5 Chairperson of the Senate Committee on Public Safety and
6 Military Affairs; the Chairperson of the House of
7 Representatives Committee on Economic Revitalization and
8 Business; the Chairperson of the House of Representatives
9 Committee on Human Services; and the Chairperson of the House of
10 Representatives Committee on Public Safety and Military Affairs.
11

OFFERED BY: _____