

**SB 758**

**EDT**



**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

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TESTIMONY  
OF  
AARON S. FUJIOKA  
ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE  
SENATE COMMITTEE  
ON  
ECONOMIC DEVELOPMENT AND TECHNOLOGY

February 25, 2011

1:15 PM

SB 758

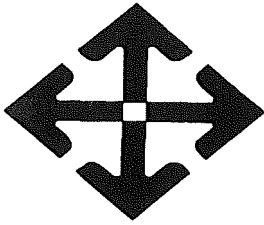
RELATING TO SMALL BUSINESS.

Chair Fukunaga, Vice Chair Wakai, and committee members, thank you for the opportunity to testify on SB 758. This bill would require procurements made by small purchases method of procurement by governing entities to be compliant with all laws related to doing business in the State, including those pertaining to labor laws for the department of labor and industrial relations, tax clearance from the department of taxation and the Internal Revenue Service and compliance with the Department of Commerce and Consumer Affairs. Offerors would be required to produce documents to the procuring officer to demonstrate compliance even for procurements that are for small dollar amounts.

The State Procurement Office supports this bill but recommends that it not apply to purchases made by small purchases method of procurement under \$2,500. Requiring government entities doing business with small businesses may result in delays to acquire such goods or services until the compliance requirement is verified. Government entities may end up purchasing from larger companies who consistently utilize the Hawaii Compliance Express. The following amendment is provided for your consideration:

"(c) All offerors, upon award of contract, shall comply with all laws governing entities doing business in the State, including chapters 237, 383, 386, 392, and 393. Offerors shall produce documents to the procuring officer to demonstrate compliance with this subsection. Any offeror making a false affirmation or certification under this subsection shall be suspended from further offerings or awards pursuant to section 103D-702. The procuring officer shall verify compliance with this subsection for all contracts awarded pursuant to sections 103D-302, 103D-303, 103D-304, ~~103D-305, and~~ 103D-306, ~~and includes awards \$2,500 and above pursuant to 103D-305~~; provided that the attorney general may waive the requirements of this subsection for contracts for legal services if the attorney general certifies in writing that comparable legal services are not available in this State."

If the Senate committee believes this bill is in the best interest of the State, then SPO requests that the implementation date for this bill be delayed to allow ample notification to the business community of this requirement. Thank you.



# The Hawaii Business League

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February 25, 2011

Testimony To: Senate Committee on Economic Development and Technology  
Senator Carol Fukunaga, Chair

Presented By: Tim Lyons  
President

Subject: S.B. 758 - Relating to Small Business

Chair Fukunaga and Members of the Committee:

I am Tim Lyons, President of The Hawaii Business League a small business service organization. We support this bill.

We know from our members that are in the construction sector that the Hawaii compliance express has worked very well for those vendors. It has expedited the award process and we find that is a positive thing for both the vendor and for the state or county.

It is based on that then that we can support this effort and the use of the Hawaii compliance express.

Thank you.

Testimony for EDT 2/25/2011 1:15:00 PM SB758

Conference room: 016

Testifier position: support

Testifier will be present: No

Submitted by: Natalie Iwasa

Organization: Individual

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Submitted on: 2/16/2011

Comments:

Please remove my email address when posting my "support" testimony online.