

JAN 20 2012

A BILL FOR AN ACT

RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 103D-901, Hawaii Revised Statutes, is
2 amended by adding five new definitions to be appropriately
3 inserted and to read as follows:

4 "Service-connected disability" means a disability incurred
5 in the line of duty in the active military, naval, or air
6 service as described in title 38 United States Code section
7 101(16).

8 "Service-disabled veteran" means a veteran who has been
9 found to have a service-connected disability by the United
10 States Department of Veterans Affairs or the United States
11 Department of Defense.

12 "Service-disabled veteran-owned small business" means a
13 small business:

14 (1) Where at least fifty-one per cent of the small
15 business is owned by one or more service-disabled
16 veterans living in the State or, in the case of a
17 corporation, at least fifty-one per cent of the stock



1 of the corporation is owned by one or more service-
2 disabled veterans living in the State;

3 (2) Whose home office is located in the State; and

4 (3) For which paragraphs (1) and (2) are factually
5 verified annually by the chief procurement officer.

6 "Veteran" means a person who has:

7 (1) Been a member of the armed forces of the United States
8 or, while a citizen of the United States, was a member
9 of the armed forces of allies of the United States in
10 time of hostilities with a foreign country; and

11 (2) Served under one or more of the following conditions:

12 (A) The veteran served a total of at least six
13 months;

14 (B) The veteran served for the duration of
15 hostilities regardless of the length of the
16 engagement;

17 (C) The veteran was discharged on the basis of
18 hardship; or

19 (D) The veteran was released from active duty because
20 of a service connected disability and was
21 discharged under honorable conditions.

22 "Veteran-owned small business" means a small business:



- 1 (1) Where at least fifty-one per cent of the small
2 business is owned by one or more veterans living in
3 the State or, in the case of a corporation, at least
4 fifty-one per cent of the stock of the corporation is
5 owned by one or more veterans living in the State;
6 (2) Whose home office is located in the State; and
7 (3) For which paragraphs (1) and (2) are factually
8 verified annually by the chief procurement officer."

9 SECTION 2. Section 103D-903, Hawaii Revised Statutes, is
10 amended by amending subsection (c) to read as follows:

11 "(c) In carrying out this part, the chief procurement
12 officer may:

- 13 (1) Give special publicity to procurement procedures and
14 issue special publications designed to assist small
15 businesses in learning how to do business with the
16 State;
17 (2) Compile, maintain, and make available source lists of
18 small businesses for the purpose of encouraging
19 procurement from small business;
20 (3) Include small businesses on solicitation mailing
21 lists;



- 1 (4) Develop and conduct training programs to assist small
- 2 businesses;
- 3 (5) Reduce the level or change the types of bonding
- 4 normally required or accept alternative forms of
- 5 security;
- 6 (6) Make special provisions for progress payments;
- 7 (7) Establish the goal that twenty per cent of the State's
- 8 annual purchasing expenditure be awarded to small
- 9 business; provided that, of the twenty per cent set
- 10 aside for small businesses, a combined total of not
- 11 less than three per cent shall be awarded to veteran-
- 12 owned small businesses and service-disabled veteran-
- 13 owned small businesses; and
- 14 (8) Impose mandatory evaluation criteria designed to
- 15 encourage the use of small business as subcontractors
- 16 on large contracts not susceptible to performance by
- 17 small business."

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2012.

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Report Title:

Hawaii Public Procurement Code; Veteran-Owned and Service-Disabled Veteran-Owned Small Businesses; Set-Aside

Description:

Clarifies that, of the 20% of the State's annual purchasing expenditure set aside to be awarded to small businesses, at least 3% shall be awarded to veteran-owned and service-disabled veteran-owned small businesses.

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