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# 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;

4 (3) That has fifty or fewer employees; and

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

7 "Veteran" means a person who has:

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

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

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

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

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

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



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

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

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

15       (1) Give special publicity to procurement procedures and  
16       issue special publications designed to assist small  
17       businesses in learning how to do business with the  
18       State;

19       (2) Compile, maintain, and make available source lists of  
20       small businesses for the purpose of encouraging  
21       procurement from small business;



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

20 SECTION 3. New statutory material is underscored.

21 SECTION 4. This Act shall take effect on January 1, 2020.



**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 having fifty or fewer employees. Effective 1/1/20. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

