
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 or aggravated in the line of duty by an individual in the active
6 military, naval, or air service as described in title 38 United
7 States Code section 101(16).

8 "Service disabled veteran" means a veteran who has a
9 service connected disability as determined by the United States
10 Department of Veterans Affairs or the United States Department
11 of Defense.

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

14 (1) Of which at least fifty-one per cent of the small
15 business is owned by one or more service disabled
16 veterans residing 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 residing in the State;
- 3 (2) With a home office 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 was discharged on the basis of
- 16 hardship; or
- 17 (C) The veteran was released from active duty because
- 18 of a service connected disability and was
- 19 discharged under honorable conditions.

20 "Veteran owned small business" means a small business:

- 21 (1) Of which at least fifty-one per cent of the small
- 22 business is owned by one or more veterans residing in



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

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

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

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



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

16 SECTION 3. New statutory material is underscored.

17 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 50 or fewer employees. Effective 1/1/20. (SD2)

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