

Honolulu, Hawaii

March 16, 2012

RE: S.B. No. 2582
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Public Safety & Military Affairs, to which was referred S.B. No. 2582, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE,"

begs leave to report as follows:

The purpose of this measure is to amend the Hawaii Public Procurement Code as it relates to assistance to small businesses by:

- (1) Specifying that three percent of the twenty percent of the State's annual purchasing expenditures set aside for small businesses shall be awarded to veteran owned small businesses and service disabled veteran owned small businesses; and
- (2) Adding relevant definitions.

The Oahu Veterans Council and one concerned individual testified in support of this measure. The National Veteran-Owned Business Association; Military Officers Association of America, Hawaii Chapter; and Hawaii Procurement Institute testified in support of the intent of this measure. The State Procurement Office and General Contractors Association provided comments on this measure.



After careful consideration, your Committee has deleted the contents of this measure, and replaced them with provisions that seek to stimulate economic growth in the State by:

- (1) Authorizing the chief procurement officer to establish the goal of awarding at least three percent of the State's total annual purchasing expenditures to veteran-owned businesses;
- (2) Establishing graduated price preferences for bids and proposals submitted to procuring agencies by Hawaii small businesses, veteran-owned businesses, and service-disabled veteran-owned businesses; and
- (3) Adding four new definitions to the Hawaii Public Procurement Code relating to assistance for small businesses regarding veterans, service-disabled veterans, and small businesses.

In addition, your Committee has amended the measure by changing the effective date to July 1, 2112, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2582, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2582, S.D. 2, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Respectfully submitted on
behalf of the members of the
Committee on Public Safety &
Military Affairs,

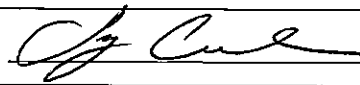

HENRY J. C. AQUINO, Chair



HECR 1063-12

State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Public Safety & Military Affairs

Bill/Resolution No.: GD 2582 GD 2	Committee Referral: PBM, ERB, FIN	Date: 3/14/2012		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
PBM Members	Ayes	Ayes (WR)	Nays	Excused
1. AQUINO, Henry J.C. (C)	✓			
2. CULLEN, Ty (VC)	✓			
3. ICHIYAMA, Linda	✓			
4. LEE, Marilyn B.	✓			
5. LUKE, Sylvia	✓			
6. SAIKI, Scott K.	✓			
7. SOUKI, Joseph M.		✓		
8. TAKAI, K. Mark	✓			
9. TAKUMI, Roy M.	✓			
10. YAMASHITA, Kyle T.	✓			
11. FONTAINE, George R.	✓			
12. JOHANSON, Aaron Ling	✓			
TOTAL (12)	11	1	∅	∅
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				