



January 29, 2013

**TESTIMONY IN SUPPORT OF HOUSE BILL 166
RELATING TO PROCUREMENT.**

**HOUSE COMMITTEE ON VETERANS, MILITARY AND INTERNATIONAL
AND CULTURAL AFFAIRS**

**HEARING ON WEDNESDAY, JANUARY 30TH AT 8:30 AM,
IN CONFERENCE ROOM 312**

Aloha Chair Takai: The Oahu Veterans Council is honored to serve at the pleasure of our veterans and their families. On January 26th, our delegates reviewed and voted unanimously to support House Bill 166.

We are extremely grateful for your efforts to Requires that at least 3% of the 20% set-aside for small businesses shall be awarded to veteran-owned and service-disabled veteran-owned small businesses.

Providing this legislative protection in state law is so important to our disabled Veteran small business owners, who served so selflessly and ask for no more recognition than we would expect for ourselves.

The Oahu Veterans Council respectfully urges your committee to consider passing House Bill 166 as written. Mahalo, for allowing us to testify, regarding this extremely important issue.

Dennis Egge

Dennis Egge; Chairman, Legislative Committee



1298 Kukila Street, Honolulu, Hawaii 96818

Email: sballard@oahuveternascenter.com; Phone: 808-422-4000; Fax: 808-422-4001

www.oahuveternascenter.com

STATE OF HAWAII
DEPARTMENT OF DEFENSE

LATE TESTIMONY

TESTIMONY ON HOUSE BILL 166, RELATING TO PROCUREMENT
PRESENTATION TO THE

COMMITTEE ON VETERANS, MILITARY, & INTERNATIONAL AFFAIRS,
& CULTURE AND THE ARTS

BY

MR. RONALD P. HAN
DIRECTOR OF STATE OFFICE OF VETERANS SERVICES

January 30, 2013

Good morning Chair Takai, Vice Chair Ito and Committee members:

I'm Ron Han, Director of the State Office of Veterans Services (OVS). I appreciate this opportunity to provide testimony in support of the intent of House Bill 166.

This measure would create price preferences for bids and proposals submitted to procuring agencies by Hawaii small businesses, veterans and disabled veterans. It would give 7% preference for veterans and 9% preference for disabled veterans; however not less than 3% awarded to veterans and disabled veterans.

We defer to the agency with direct responsibility for implementation of the Procurement regulations.

The OVS supports the concepts and intent expressed in this measure as long as its implementation does not impact or replace the priorities set forth in the Executive Biennium Budget for Fiscal Biennium 2013-2015.

Thank you for this opportunity to provide testimony on behalf of Hawaii's Veterans and their families in support of HB 166.

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



LATE TESTIMONY

GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

January 30, 2013

TO: HONORABLE MARK TAKAI, CHAIR, HONORABLE KEN ITO, VICE CHAIR AND HOUSE COMMITTEE ON VETERANS, MILITARY & INTERNATIONAL AFFAIRS & CULTURE AND THE ARTS

SUBJECT: **COMMENTS & CONCERNS REGARDING H.B. 166, RELATING TO PROCUREMENT.** Requires that at least 3% of the 20% set-aside for small businesses shall be awarded to veteran-owned and service-disabled veteran-owned small businesses.

HEARING

DATE: Wednesday, January 30, 2013

TIME: 8:30 a.m.

PLACE: Capitol Room 312

Dear Chair Takai, Vice Chair Ito and Members of the Committee:

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

GCA is providing comments and concerns regarding H.B. 166, Relating to Procurement, and respectfully request that this measure be held. This bill mandates that procurement officer to set aside 3% of the 20% total reserved for small businesses to be awarded to veteran-owned and service-disabled veteran owned businesses. The bill also offers definitions under Section 103D-901, Hawaii Revised Statutes defining "service connected disability," "service-disabled veteran," and "service-disabled veteran-owned small business."

The GCA recognizes the many sacrifices and hardship endured by the veterans who served in our armed forces and supports efforts to rehabilitate and reintegrate them into our economy. However, our association has consistently maintained that procurement preferences for even good causes are misused many times and does not fully benefit their intended benefactors. For example, if this bill were to pass, entrepreneurs wanting to take advantage of the price preferences for veterans could elicit a veteran to be a 51% owner without having the veteran actually working in the business so that state projects could be won for the benefit of the company with the veteran simply taking his/her share. Furthermore, many times it is difficult to find veteran owned or service disabled veteran owned small businesses qualified to do the construction work needed, so that taxpayers need to pay an inordinate amount to find competitive qualified companies to participate or be satisfied with sub-standard work product in order to meet the veteran standards set.

LATE TESTIMONY

Even further, procurement preferences, such as the one suggested in this bill, would increase the complexity in the procurement process, for example, by providing another avenue for protests when not administered properly, contrary to efforts to expedite the process. Finally, to administer such a program and to do it right may take already scarce resources away from procuring agencies to administer the program.

Please understand that GCA is not targeting veterans in this testimony. It is simply opining that using the procurement process is the wrong avenue to help veterans as well as any other persons needing assistance. Rather, more direct means such as vocational rehabilitation or tax incentives for businesses hiring veterans may be the better means to assist.

Accordingly, GCA recommends that this measure be held in the committee.

Thank you for the opportunity to testify on this bill.