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## A BILL FOR AN ACT

RELATING TO PROCUREMENT.

**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 during 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 determined by the  
10 United States Department of Veterans Affairs or the United  
11 States 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) Served a total of at least six months;

13           (B) Served for the duration of hostilities regardless  
14           of the length of the engagement;

15           (C) Was discharged on the basis of hardship; or

16           (D) Was released from active duty because of a  
17           service connected disability and was discharged  
18           under honorable conditions.

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

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

7           SECTION 2. Section 103D-903, Hawaii Revised Statutes, is  
8 amended to read as follows:

9           "**§103D-903 Duties of the chief procurement officer.** (a)

10 The chief procurement officer may coordinate the implementation  
11 of this part with any similar programs offered by the department  
12 of business, economic development, and tourism or any other  
13 governmental body.

14           (b) The chief procurement officer may provide staff to  
15 provide service to designated state agencies to assist small  
16 businesses in learning how to do business with the State.

17           (c) In carrying out this part, the chief procurement  
18 officer may:

- 19           (1) Give special publicity to procurement procedures and
- 20           issue special publications designed to assist small



- 1 businesses in learning how to do business with the  
2 State;
- 3 (2) Compile, maintain, and make available source lists of  
4 small businesses for the purpose of encouraging  
5 procurement from small business;
- 6 (3) Include small businesses on solicitation mailing  
7 lists;
- 8 (4) Develop and conduct training programs to assist small  
9 businesses;
- 10 (5) Reduce the level or change the types of bonding  
11 normally required or accept alternative forms of  
12 security;
- 13 (6) Make special provisions for progress payments;
- 14 (7) Establish the goal that twenty per cent of the State's  
15 annual purchasing expenditure be awarded to small  
16 business; provided that a combined total of not less  
17 than twenty-five per cent of the twenty per cent set  
18 aside by this paragraph shall be awarded to veteran-  
19 owned small businesses and not less than forty per  
20 cent of the twenty per cent set aside by this



1 paragraph shall be awarded to service-disabled  
 2 veteran-owned small businesses; and  
 3 (8) Impose mandatory evaluation criteria designed to  
 4 encourage the use of small business as subcontractors  
 5 on large contracts not susceptible to performance by  
 6 small business.

7 Nothing in this section shall limit, restrict, or preclude a  
 8 veteran-owned small business or service-disabled veteran-owned  
 9 small business from qualifying for any other preferences, set-  
 10 asides, or criteria that may apply under section 103D-906, or  
 11 any other provision of this chapter, and this section shall  
 12 operate as a further preference when a veteran-owned small  
 13 business or service-disabled veteran-owned small business  
 14 qualifies for more than one such preference."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2015.

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INTRODUCED BY:

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*Kindachiyama*  
*Feki Poucha*

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# H.B. NO. 1120

**Report Title:**

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

**Description:**

Requires that a percentage of the annual purchasing expenditure of the State set-aside for small businesses be awarded to veteran-owned and service-disabled veteran-owned small businesses, in addition to any other preferences provided under the Procurement Code for such businesses.

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