

Testimony on SB 1236, Relating to the Hawaii Public Procurement Code

February 13, 2015

TO: Senator Maile Shimabukuro, Chair
Committee on Hawaiian Affairs

Senator Donovan Dela Cruz, Chair
Committee on Government Operations

FROM: Joseph Lapilio
Native Hawaiian Chamber of Commerce

SUBJECT: SUPPORT

Thank you for this opportunity to provide testimony in support of SB 1236.

In 2011, the State Legislature passed a law recognizing Native Hawaiians as the indigenous people of Hawaii. The purpose of this law, as stated in the statute, is to provide for and to implement the recognition of the Native Hawaiian people by means and methods that will facilitate their self-governance, including the establishment of, or the amendment to, programs, entities, and other matters pursuant to law that relate, or affect ownership, possession, or use of lands by the Native Hawaiian people, and by further promoting their culture, heritage, entitlements, health, education, and welfare.

Act 195 only makes sense in its implementation. How do we move to the next step? The work and history of our Congressional delegation provides one set of possibilities. Since Hawaiians were further defined (and recognized again) in 1972 in Congress, our congressional delegation worked to include Native Hawaiians in federal programs. Set asides in education, housing, and health care are a few of the many areas in which this strategy gave our community the resources we needed.

SB 1236, Relating to the Hawaii Public Procurement Code, begins the process of taking Act 195 and constructing a system that would support the economy of our native Hawaiian nation. This award set aside in this bill is consistent with the Small Business Administration's 8(a) Business Development Program which is a model for encouraging and supporting small businesses that are controlled at least 51% by socially and economically disadvantaged individuals. What this bill would do is require state agencies to award not less than 20% of any procurement contracts to Native Hawaiian organizations.

The Native Hawaiian Chamber of Commerce supports this bill. It is an essential instrument for helping Native Hawaiian entrepreneurs gain access to the economic mainstream and helps aspiring entrepreneurs gain a foothold in local government contracting.

There are three areas of concern that we believe need to be addressed in the bill:

- (1) We recommend that Section 103D, Subsection (b)(4) relating to compliance with requirements of the Small Business Administration, Title 13, Code of Federal Regulations, Section 124.110 be deleted.
- (2) Revise reference to native Hawaiians to Native Hawaiians.
- (3) Clarify the eligibility criteria for inclusion into the program by inserting language into line 11 to indicate that Native Hawaiian Organizations meet all of the criteria in this section.

We thank you for this opportunity to testify in support of this bill.