

LATE



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March 21, 2017

To: The Honorable Chair Donna Mercado Kim
Senate Committee on Government Operations

The Honorable Vice Chair Russell E. Ruderman
Senate Committee on Government Operations

The Honorable Chair Glenn Wakai
Senate Committee on Economic Development, Tourism, and Technology

The Honorable Vice Chair Brian T. Taniguchi
Senate Committee on Economic Development, Tourism, and Technology

From: Holomua Consulting Group, LLC
Shannon Edie, President
Daphne Tong-Pave, Vice President
Kanoë Tjorvatjoglou, Junior Consultant

Re: HB 1382, HD1 Relating to Procurement;
In Support
Tuesday, March 21, 2017, 2:45 P.M.; Conference Room 224

Chair Mercado Kim, Vice Chair Ruderman, and Members of the Committee on Government Operations.

Chair Wakai, Vice Chair Taniguchi, and Members of the Committee on Economic Development, Tourism, and Technology.

Holomua Consulting Group, LLC (Holomua) offers our support of HB 1382, HD1, which establishes a temporary small business assistance initiative, small business advisory council, small business office, and small business procurement coordinator position within the state procurement office.

Holomua is a women- and Native Hawaiian-owned small business located in Honolulu. Since 2014, our consulting firm has assisted small businesses, both in Hawaii and on the Continental U.S., with succeeding as government contractors. In particular, we assist businesses with

obtaining small business certifications, maximizing the benefits of federal small business contracting programs, and navigating the complex legal and compliance landscape of Federal government contracting. We are passionate about helping small businesses and strongly believe that government contract opportunities can help facilitate growth and development of these businesses.

We have seen first-hand the invaluable assistance provided to small businesses that participate in the various federal small business contracting programs, including the 8(a) Business Development, HUBZone, Women-Owned, and Service Disabled Veteran-Owned Programs. The resources and preferences provided through these programs help small businesses obtain contracts that they otherwise would not have access to. This enables small businesses to build their experience and capabilities, create jobs, and establish strong businesses.

While we do not believe a state program should completely replicate the federal programs, we firmly believe that a small business program in the State of Hawaii is needed and could provide much-needed support to our local business community. We have consistently heard concerns from local businesses about the challenges with finding and pursuing state contract opportunities. We believe the provisions in HB 1382, HD1 will help identify these problems and provide solutions, based on metrics and data, to help ensure small businesses are able to successfully obtain state small business contracting opportunities.

According to the U.S. Small Business Administration (SBA) Office of Advocacy's Small Business 2017 Profile for the State of Hawaii, there are over 120,000 small businesses in the state, of which roughly 74,000 are minority-owned, 11,000 are veteran-owned, and 44,000 are women-owned.¹ These figures demonstrate that there is a significant amount of small businesses that could benefit from a state small business program. Unfortunately, other than data from federal agencies, such as the SBA and U.S. Census Bureau, there is not a lot of information about our local businesses, particularly businesses that seek contract opportunities with the state. We strongly believe that data is needed to not only create a successful small business program, but moreover to provide the assistance and support that our small businesses need. We are pleased that HB 1382, HD 1 supports this and provides for the collection of relevant information and data.

All the provisions outlined in HB 1382, HD1, including the establishment of a temporary small business assistance initiative, small business advisory council, small business office, and small business procurement coordinator position within the state procurement office, are crucial first steps to establishing successful policies and recommendations relevant to state contract opportunities and a state small business program.

We urge the passage of HB 1382, HD1. Thank you for your time and the opportunity to submit testimony.

¹ https://www.sba.gov/sites/default/files/advocacy/Hawaii_1.pdf

DAVID Y. IGE
GOVERNOR



LATE

Testimony by:
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

March 21, 2017
2:45 p.m.
State Capitol, Room 224

H.B. 1382, H.D. 1
RELATING TO PROCUREMENT

Senate Committee on Government Operations
& Economic Development, Tourism and Technology

The Department of Transportation (DOT) **supports** H.B. 1382, H.D. 1, which establishes a temporary small business assistance initiative and provides staffing for Part IX, Chapter 103D, Hawaii Revised Statutes.

This measure will supplement and enhance DOT's federally-mandated Disadvantaged Business Enterprise (DBE) Program by providing state contracting opportunities for small disadvantaged minority- and women-owned businesses.

Thank you for the opportunity to provide testimony.