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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
LABOR & PUBLIC EMPLOYMENT
February 5, 2019, 8:30 A.M.

HB1188
RELATING TO STATE PROCUREMENT OFFICE

Chair Johanson, Vice-Chair Eli, and members of the committee, thank you for the opportunity to submit testimony on HB1188. The State Procurement Office (SPO) strongly supports the bill which provides appropriations of general revenues in the amount of \$200,000 for fiscal year 2020-2021 to continue the small business assistance initiative established by Act 42, Session Laws of Hawaii 2017.

Act 42, SLH 2017, established, within the State Procurement Office, a three-year small business initiative to facilitate the collection and development of relevant data and information and convene stakeholders for the development of an effective small business program, including the development of Rules.

SPO was appropriated \$200,000 in late CY 2018 for only the first year of the three-year program. Year one funds were extended over a 20-24-month period due to the lateness of the appropriations and lack of funding for year 2. The SPO partnered with Solutions Pacific (SP), whose Year 1 mission is to develop an awareness campaign, conduct market analysis, increase awareness, outreach and active engagement in the small business target and promotion of a Small Business Office. In November 2018, the SPO launched the Small Business Database, a module of the Hawaii Awards and Notices Database System (HANDS). Although, year two is not funded SPO and SP will continue working to expand awareness, training and workshop campaigns and recommendations for rules to be developed by the chief procurement officer and procurement policy board.

Funding for Year Three of the program is critical to the success of the small business assistance program. Development of effective rules will set the ground work for a small business set-aside program and basis for training, workshop campaigns, and an implementation program.

Appropriation of \$200,000 for FY 2020-2021 will allow the SPO to continuing working towards the goal to ensure that small businesses are able to effectively participate in contracting opportunities.

Thank you.