

Honolulu, Hawaii  
FEB 09 , 2022

RE: H.B. No. 1974  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred  
H.B. No. 1974 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to establish the small  
business assistance initiative and appropriate funds to provide  
staffing for the implementation of part IX of the Hawaii Public  
Procurement Code, relating to assistance to small businesses.

Your Committee received testimony in support of this measure  
from the Department of Transportation, State Procurement Office,  
Hawaii State Commission on the Status of Women, Native Hawaiian  
Chamber of Commerce, Council for Native Hawaiian Advancement, and  
one individual. Your Committee received comments on this measure  
from the Department of Budget and Finance.

Your Committee finds that small businesses are the lifeblood  
of the State's economy. Your Committee believes that the State's  
economy would benefit from the creation, development, and  
implementation of strategies to ensure that small businesses,  
including businesses owned by veterans, Native Hawaiians, and  
women, are able to effectively participate in small business  
contracting opportunities. Your Committee also finds that the  
State Procurement Office is able to assist small businesses with



obtaining state contracts, a process that could be facilitated by the creation of the small business assistance initiative established by this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to encourage further discussion.

Should your Committee on Finance deliberate on this measure, your Committee on Government Reform respectfully requests that it consider appropriating to the State Procurement Office the following:

- (1) \$115,000 to complete Phase II and Phase III of the state small business database;
- (2) \$126,000 per year to establish one full-time equivalent (1.00 FTE) permanent Small Business Procurement Coordinator position exempt from Chapter 76, Hawaii Revised Statutes, in the State Procurement Office for the full period of the small business assistance initiative; and
- (3) \$125,000 per year for the hiring of a local small business to operate and maintain the Small Business Office and for marketing of and outreach for the small business assistance initiative for the full period of the initiative.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1974, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Government Reform,



ANGUS L.K. MCKELVEY, Chair



