

STAND. COM. REP. NO. 3334

Honolulu, Hawaii

MAR 23 2022

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

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred H.B. No. 1974, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the Small Business Assistance Initiative within the State Procurement Office, to consist of a Small Business Procurement Coordinator and Small Business Office, and to appropriate funds for this purpose.

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

Your Committee finds that small businesses are a critical component of the State's economy. Your Committee further finds that the promotion of small businesses, including businesses owned by veterans, Native Hawaiians, and women, in government procurement strengthens the small business ecosphere in the State and, in turn, the larger economy. Your Committee additionally finds that the State Procurement Office is positioned to assist small businesses with obtaining state contracts. Accordingly,



this measure will allow the State Procurement Office to help small businesses in the State, and improve the health of the state economy, by encouraging small business participation in government contracting opportunities.

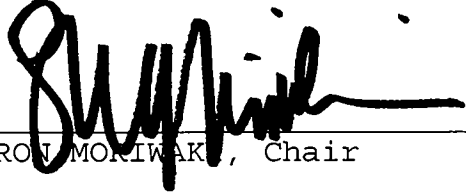
Your Committee has amended this measure by:

- (1) Clarifying that the term of the Small Business Initiative is five years from the date of enactment;
- (2) Amending section 103D-902, Hawaii Revised Statutes, to further promote small business participation in government contracting opportunities;
- (3) Specifying appropriation amounts and purposes to carry out the intent of the measure as follows:
  - (A) \$115,000 to complete the state small business database as provided by Act 42, Session Laws of Hawaii 2017, prior to its repeal;
  - (B) \$126,000 for the establishment of one permanent full-time equivalent (1.00 FTE) small business procurement coordinator position exempt from chapter 76, Hawaii Revised Statutes, in the State Procurement Office; and
  - (C) \$125,000 for the retention 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 term of the five-year initiative; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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



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



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SHARON MORIWAKA, Chair



