
A BILL FOR AN ACT

RELATING TO SMALL BUSINESS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii compliance
2 express is an electronic system that allows vendors doing
3 business with state or county agencies to quickly and easily
4 obtain proof that they are compliant with applicable laws.
5 Hawaii compliance express expedites a vendor's ability to
6 furnish proof of compliance with the requirements of section
7 103D-310(c), Hawaii Revised Statutes, by providing an online
8 "Certificate of Vendor Compliance" for the business entity.
9 This single certificate eliminates the need to obtain individual
10 hard copies of certificates from the Internal Revenue Service
11 and department of taxation, department of labor and industrial
12 relations, and department of commerce and consumer affairs. The
13 service includes real-time monitoring of the vendor's status of
14 compliance with each agency and automatically notifies the
15 vendor by email any time the compliance status is changed.

16 The Hawaii compliance express was launched in September
17 2005, and has grown from one hundred seventy-nine vendors the
18 first year to 4,117 vendors through mid-December 2010. The



1 department of accounting and general services accounting
2 division estimates that approximately seventy per cent of
3 invoices processed for payment through their office use the
4 Hawaii compliance express certificate, versus the three paper
5 certificates. The minimal cost to a vendor to use the Hawaii
6 compliance express is \$12 per year, a decrease from \$15 when the
7 system was launched in 2005.

8 Under current law, vendors must provide proof of compliance
9 in order to receive a contract greater than \$15,000 with state
10 and county government entities in Hawaii.

11 In 2010, the senate committee on economic development and
12 technology and the house committee on economic revitalization,
13 business, and military affairs convened an informal small
14 business discussion group to address the most critical issues
15 facing the small-business sectors within Hawaii's economy.
16 Representatives from the Chamber of Commerce of Hawaii,
17 construction and trades industries, community nonprofit
18 organizations, the agricultural sector, food and restaurant
19 industries, retailing, the science and technology sector, the
20 commercial transportation industry, and interested stakeholders
21 developed a package of bills that addresses the most pressing
22 problems facing Hawaii's small-business community.



1 The purpose of this Act is to support the findings of the
2 small business working group and its recommendations to extend
3 the use of Hawaii compliance express for small-business vendors,
4 affording them the same savings of time and money in the
5 contracting process.

6 SECTION 2. Section 103D-310, Hawaii Revised Statutes, is
7 amended by amending subsection (c) to read as follows:

8 "(c) All offerors, upon award of contract, shall comply
9 with all laws governing entities doing business in the State,
10 including chapters 237, 383, 386, 392, and 393. Offerors shall
11 produce documents to the procuring officer to demonstrate
12 compliance with this subsection. Any offeror making a false
13 affirmation or certification under this subsection shall be
14 suspended from further offerings or awards pursuant to section
15 103D-702. The procuring officer shall verify compliance with
16 this subsection for all contracts awarded pursuant to sections
17 103D-302, 103D-303, 103D-304, and 103D-306[~~7~~], and for contracts
18 and procurements of \$2,500 or more awarded pursuant to section
19 103D-305; provided that the attorney general may waive the
20 requirements of this subsection for contracts for legal services
21 if the attorney general certifies in writing that comparable
22 legal services are not available in this State."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 2011.



Report Title:

Procurement; Compliance; Small Business

Description:

Extends the use of Hawaii compliance express for small-business vendors for all contracts and procurements of \$2,500 or more.
(CD1)

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