
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. The legislature finds that current difficult
2 economic conditions warrant the use of incentives to help create
3 job growth and stimulate the State's economy. The legislature
4 also finds that the process for procuring state contracts is
5 often cumbersome. The legislature further finds that incentives
6 in the procurement process would lead to more companies bidding
7 for state contracts. This would give the State a broader
8 network of contractors to choose from and would possibly
9 expedite the progress of rebuilding Hawaii's economy and
10 workforce by having a number of companies working on various
11 state projects.

12 The purpose of this Act is to create price preferences for
13 bids and proposals submitted to procuring agencies by Hawaii
14 small businesses, veterans, and service-disabled veterans.

15 SECTION 2. Section 103D-906, Hawaii Revised Statutes, is
16 amended to read as follows:

17 " ~~[+]§103D-906[+] Preference for Hawaii small businesses[~~;~~~~
18 ~~set-asides; use as subcontractors]~~. (a) The policy board shall



1 adopt rules to promote the growth and development of Hawaii
2 small businesses that shall include:

3 ~~[(1) Set asides for small businesses in appropriate~~
4 ~~classifications of requirements suitable to~~
5 ~~performance by small businesses; and~~

6 ~~(2) Criteria designed to encourage the use of small~~
7 ~~businesses as subcontractors on large contracts.]~~

8 (1) A five per cent price preference for Hawaii small
9 businesses other than those described in paragraphs
10 (2) and (3);

11 (2) A seven per cent price preference for businesses owned
12 by veterans; and

13 (3) A nine per cent price preference for businesses owned
14 by service-disabled veterans;

15 provided that for purposes of this section, a business shall be
16 owned by a veteran or service-disabled veteran if the veteran or
17 service-disabled veteran directly owns at least a fifty-one per
18 cent interest in the business.

19 The rules adopted pursuant to this section shall include
20 rules for verifying the status and eligibility of veterans and
21 service-disabled veterans.

22 (b) As used in this section:



1 "Hawaii small business" means a small business as defined
2 in section 103D-901, that:

3 (1) Has its principal place of business or ancillary
4 headquarters located within the State;

5 (2) Employs a work force consisting of not less than
6 thirty-five per cent of employees who reside within
7 the State; and

8 (3) Employs fewer than fifty employees.

9 "Service-disabled veteran" means a veteran who has a
10 service-connected disability compensable under title 38 United
11 States Code section 1110 or 1131 and who meets any other
12 applicable qualifications established by rule.

13 "Veteran" means any person who has served in any of the
14 armed services of the United States in any war or campaign in
15 which the United States was engaged, whose service has been
16 verified by the:

17 (1) United States Department of Veterans Affairs;

18 (2) United States Department of Defense;

19 (3) United States Coast Guard; or

20 (4) National Guard,

21 and who meets any other applicable qualifications established by
22 rule."



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, 2030.



Report Title:

Procurement; Small Businesses; Veterans; Disabled Veterans

Description:

Requires the procurement policy board to adopt rules that include a five per cent preference for small businesses, a seven per cent preference for veteran-owned businesses, and a nine per cent preference for service-disabled veteran-owned businesses. Effective July 1, 2030. (HB2318 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

