

LATE TESTIMONY



Vietnam Veterans Post 10583 of the Veterans of Foreign Wars

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February 2, 2012

Testimony of Rene A. Berthiaume, USMC, Commander VFW Post 10583, Vietnam Veterans' Post

Senate Committee on Public Safety and Military Affairs
Senator Wil Espero, Chair

Thank you for the opportunity to testify in support of SB2582.

Besides being the Post Commander of VFW Post 10583, I also work with Homeless Veterans as a service-providing non-profit community agency. The homeless veterans that we serve are not likely to own their own business, so the benefit of this bill would be minimal at best for that population. It would however, be very beneficial for them if an addendum could be added that would allow up to a 5% Preference to Employers bidding on State of County contracts if they commit to employing unemployed veterans for the duration of that contract. And by Preference I means, companies bid price could be up to 5% higher than the next bidder but could still win the bid. As an example, if a company commits to hire one veteran, they could receive a 1% Preference. If they hire 2 veterans, then a 2% Preference as so on, up to 5%. Even though it might seem that government would be paying more for the contract, it would actually save resources by reducing the veteran's dependence on various public assistance programs, thus, making the veteran a tax payer instead of a tax user.

I will limit my testimony at this time to putting forth this concept for consideration and would be glad to provide more detailed information as to how this program could be implemented.

Thank you again for allowing me to testify and I would be happy to answer any questions you may have.

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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

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February 2, 2012

TO: HONORABLE SENATORS WILL ESPERO, CHAIR, MICHELLE KIDANI, VICE CHAIR AND MEMBERS OF THE COMMITTEE ON PUBLIC SAFETY, GOVERNMENT OPERATIONS, AND MILITARY AFFAIRS

SUBJECT: **COMMENTS & CONCERNS REGARDING S.B 2582, RELATING TO HAWAII PUBLIC PROCUREMENT CODE.** Clarifies that, of the 20% of the State's annual purchasing expenditure set aside to be awarded to small businesses, at least 3% shall be awarded to veteran-owned and service-disabled veteran-owned small businesses.

HEARING

DATE: Thursday, February 2, 2012

TIME: 2:50 P.M.

PLACE: Conference Room 325

Dear Chair Herkes, Vice Chair Yamane, Chair Keith-Agaran, Vice Chair Rhoads and members,

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is celebrating its 80th anniversary this year; it remains the largest construction association in the State of Hawaii. GCA **provides comments and concerns** regarding S.B. 2582, Relating to Hawaii Public Procurement Code.

This bill would require that 3 percent of the already reserved 20 percent of the state's annual expenditures for goods and services for small businesses, be awarded to veteran owned small businesses.

The GCA recognizes the many sacrifices and hardship endured by the veterans who served in our armed forces and supports efforts to rehabilitate and reintegrate them into our economy. However, the set-aside proposed in S.B. 2582 would be detrimental to the public works construction projects by driving up costs due to the small pool of veteran owned construction companies. Moreover, this proposal would be difficult for the various agencies and the State Procurement Office to implement, manage and control. For example, how will the state insure that of the 20% of purchases, 3% will be reserved for veteran owned companies? Since purchases are made by many departments throughout the state, who will determine when and how a business qualifies as a veteran owned small business?

In the area of construction will the initial bid specification state that only veteran owned small businesses qualify to bid?

Although we support the intent of this bill the bill as drafted is not workable and we therefore recommend that this measure be held in the committee. Thank you for the opportunity to testify on this bill.