DAVID Y. IGE GOVERNOR



SARAH ALLEN

MARA SMITH ASSISTANT ADMINISTRATOR

STATE OF HAWAII STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
http://spo.hawaii.gov
Twitter: @hawaiispo

TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES
ON
WAYS AND MEANS
February 24, 2017, 9:35 AM

SENATE BILL 1059 RELATING TO SMALL BUSINESS

Chair Tokuda, Vice-Chair Dela Cruz and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 1059. The State Procurement Office (SPO) supports this bill.

The State of Hawaii does not have a formal small business program, or any collected metrics to assist us in understanding the small business landscape in the State. This three-year program would provide the vital data that is missing to enable responsible decision-making on any formal small business program going forward.

SPO is already working on developing the HANDS database that could be modified to allow for registration of small business owners. HANDS (Hawaii Awards and Notices Database) is an effort to have a one-stop-shop, searchable database of all open solicitations from State agencies and political subdivisions. The data collected through the initiative will allow the SPO and Legislature to observe and track small business participation in State contracts for the first time.

Historical Background. On January 6, 2007, interim administrative rules, HAR chapter 3-124 Subchapter 9, Small Business Preference Rules became effective, however, due to the complexity and confusion about the rules, and the lack of appropriate business matrices and available data, agencies were not able to implement the small business program, even after the Hawaii Procurement Institute's 2009 training was conducted. Not able to resolve some of the issues outlined in the November 18, 2010 Procurement

SB 1059 Committees on Ways and Means February 24, 2017 Page 2

Policy Board Agenda Meeting Item IV, the rules were allowed to expire on February 24, 2011.

Reference: http://spo.hawaii.gov/wp-content/uploads/2013/12/November-Agenda.pdf

In 2014, the SPO sent out a survey to multiple communities asking for their thoughts on how the program should work. SPO received responses from 1500 small business owners, advocates, and State Agencies, identifying the needs a small business office would fill. Of the 26 State and agency personnel, the top two topics were 1) how to identify suitable projects and 2) how to identify small businesses.

The survey received 505 responses from small business owners who stated that the top three barriers for them doing business with the State were 1) compliance, 2) procurement process and 3) red tape/paperwork. Of the 40 Small Business Advocate entities, 88% were in support of a State Small Business Office. The survey also identified the need for Small Business self-identification, and the sub-sets that should be focused on by the State: veterans, women-owned, and Native Hawaiian-owned businesses.

Addressing small business concerns must include the infrastructure and resources needed to understand and help this unique community. The knowledge and metrics gathered through the purposed initiative will form the basis of all future small business legislation.

Thank you.



SMALL BUSINESS REGULATORY REVIEW BOARD

Tel 808 586-2594

Department of Business, Economic Development & Tourism No. 1 Capitol District Bldg., 250 South Hotel St. 5th Fl., Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Email: dbedt.sbrrb@hawaii.gov/sbrrb
Website: dbedt.hawaii.gov/sbrrb

David Y. Ige Governor

Luis P. Salaveria
Director, DBEDT

Members

Anthony Borge
Chair
Oahu

Harris Nakamoto Vice Chair Oahu

Kyoko Kimura 2nd Vice Chair Maui

Robert Cundiff Oahu

Nancy Atmospera-Walch Oahu

Garth Yamanaka Hawaii

Director, DBEDT Voting Ex Officio

MEMORANDUM

TO: Chair Tokuda, Vice Chair Della Cruz, and Members of the

Committee on Ways and Means - Room 211

FROM: Anthony Borge, Chairperson

Small Business Regulatory Review Board

DATE: Friday, February 24, 2017 at 9:35 a.m.

SUBJECT: SB1059 – Relating to Small Business - Support

On behalf of the Small Business Regulatory Review Board (SBRRB), I am providing testimony in <u>support</u> of SB1059, Relating to Small Business.

This measure establishes and defines a three-year small business assistance initiative and its parts within the state procurement office to develop an effective small business state contracting program. It also establishes a small business assistance coordinator position, small business office, and small business advisory group as part of the initiative, appropriates funds for the administration and operation of the initiative, and repeals the initiative on June 30, 2020.

As advocates for small business, the SBRRB believes it is essential that Hawaii has a small business assistance program such as the proposed initiative to assist in identifying, quantifying and addressing the needs of Hawaii small businesses. It is also important to establish successful policies and recommendations that are relevant to Hawaii's contract opportunities which are significant to the growth and development of small businesses, and Hawaii's economy.

Thank you for the opportunity to provide testimony in support of SB1059

STATE OF HAWAII DEPARTMENT OF DEFENSE

TESTIMONY ON SENATE BILL 1059, RELATING TO SMALL BUSINESS

PRESENTATION TO THE COMMITTEE ON WAYS AND MEANS

BY

MR. RONALD P. HAN DIRECTOR OF STATE OFFICE OF VETERANS SERVICES

February 24, 2017 9:35 p.m.

Apologize for the submission of late testimony. Chair Tokuda and Vice Chair Dela Cruz and members of the Committee:

I'm Ron Han, Director of the State Office of Veterans Services. I appreciate this opportunity to provide testimony **in support** of the concepts in Senate Bill 1059.

This measure assists small business entities in the state procurement process by establishing a temporary small business assistance initiative, small business advisory group, small business office, and small business procurement coordinator position within the state procurement office. As an example, small businesses owned by veterans, native Hawaiians and women are purportedly the most vulnerable and disadvantaged in the State. These entities could benefit significantly from the programs and initiatives derived from what this bill proposes.

The OVS supports the concepts and intent expressed in this measure as long as its implementation does not impact or replace the priorities set forth in the Executive Budget.

Thank you for this opportunity to provide testimony on behalf of Hawaii's Veterans and their families.

Testimony to the Senate Committee on Ways and Means Friday, February 24, 2017 at 9:35 A.M. Conference Room 211, State Capitol

RE: SENATE BILL 1059 RELATING TO SMALL BUSINESS

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 1059, which establishes and defines a three-year small business assistance initiative and its parts within the state procurement office to develop an effective small business state contracting program; establishes a small business assistance coordinator position, small business office, and small business advisory group as part of the initiative; appropriates funds for the administration and operation of the initiative.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

According to the U.S. Small Business Administration, 96.2% of Hawaii businesses are considered Small Businesses, which is defined by the Federal Government as firms with less than 500 employees. Small Businesses employ 52.4% of the private workforce in Hawaii and of that, 36.6% were from firms of less than 100 employees (2013).

Our suggestion is to provide a provision in the bill that defines a "Small Business" in Hawaii that would be the focus of this effort. No definition of "Small Business" is currently provided in Chapter 103D HRS.

The proposed bill recognizes that the State must create, develop, and implement strategies to ensure that small businesses are able to effectively participate in small business contracting opportunities within the State.

The purpose of this bill is to assist small businesses in obtaining state contracts through the state procurement office by:

1. Creating a small business assistance initiative to convene small business stakeholders, collect and develop relevant data and information necessary for small businesses to compete for small business contracts, and develop an effective small business contracting program within the State; and

2. Appropriating funds for staffing of the small business assistance initiative.

We are in strong support of this bill and appreciate the opportunity to express our views on this matter.



Native Hawaiian Chamber of Commerce

P.O. Box 597 Honolulu, HI 96809

nativehawaiianchamberofcommerce.org nhccoahu@gmail.com

2016-2017 Directors Richard Fernandez, President Joseph Lapilio, 1st Vice President Napua Harbottle, 2nd Vice President Deborah Ho'okano Nishijo, Past Pres. Jim Patterson, Secretary David Soong, Treasurer Kawika Burgess Shannon Edie Claire K. Hughes Denise Iseri-Matsubara Raymond Jardine Ron Jarrett Nelson Moku Robby Ostrem Robert Piper Carter Siu Leilani Williams- Solomon

Statement of
Native Hawaiian Chamber of Commerce
before the
Senate Committee on Ways and Means

Friday, February 24, 2017 9:35 AM State Capitol, Conference Room 211

In consideration of SB 1059
RELATING TO SMALL BUSINESS.

Chairman Senator Jill N. Tokuda, Vice Chairman Senator Donovan M. Dela Cruz, and Members of the Committee on Ways and Means.

The Native Hawaiian Chamber of Commerce (NHCC) supports SB 1059, which establishes and defines a three-year small business assistance initiative and its parts within the state procurement office to develop an effective small business state contracting program. And establishes a small business assistance coordinator position, small business office, and small business advisory group as part of the initiative. NHCC believes SB 1059 is crucial to establish a small business office to assist Native Hawaiian, Veteran, and women owned small businesses to name a few.

- The Native Hawaiian Chamber of Commerce (NHCC) was founded in 1974 with a mission to connect and strengthen Native Hawaiian businesses, professions and communities by building on a foundation of relationships, resources and Hawaiian values.
- The NHCC strongly supports Native Hawaiian and other Small Businesses, The NHCC believes that Native Hawaiian Small Business success equates to the success of the State of Hawaii.

Small businesses are critical to our economy. These businesses not only create invaluable employment opportunities in our communities, but also spur innovation and creativity. Many states throughout the nation recognize the value of their local small businesses and have small business procurement programs to help facilitate their growth and development. It is long overdue that the State of Hawaii have similar initiatives to ensure local small businesses obtain State contracting opportunities and the ability to grow and succeed.

We strongly urge the passage of SB 1059. Thank you for the opportunity to submit testimony on this measure.

Me ka ha'aha'a,

Ron Jarrett,

Government Relations Chairman,

Native Hawaiian Chamber of Commerce



AMEL Technologies, Inc.

Engineering Consulting Services
Melek Yalcintas, Ph.D., P.E., LEED AP, CxA, CEM
2800 Woodlawn Drive, Suite 251, Honolulu, Hawaii, 96822
Tel: 808 988 0200, Fax: 808 988 0204, E-mail: melek@ameltech.com
www.ameltech.com

February 23, 2017

To: WAYS AND MEANS COMMITTEE

Subject: **TESTIMONY IN SUPPORT** of SB 1059

Relating to Small Business -

Hearing: Friday, February 24, 2017, Room: 211

Dear Committee Members;

My name is Melek Yalcintas and I am the president and owner of AMEL Technologies, Inc. an engineering consulting firm located in Honolulu, HI.

Attached is my earlier submitted testimony for the subject Bill. As noted from the provided data, Table 1 documents discrimination faced by women owned architectural and engineering (A&E) firms in Hawaii.

In addition to what I have presented in my earlier testimony, I would like to document how the qualifications of women architects and engineers are downgraded in Hawaii. Attached is the copy of the award I received from Association of Energy Engineers in 2016. As you will note, I was awarded as Energy Engineer for Region V, covering, Hawaii, Pacific Islands, Alaska, Arizona, California, Nevada, Oregon, Utah and Washington. In other words, my work is recognized nationally. However, despite my national recognition for the contributions I made to the profession, I never received work related to energy from any state agencies since 2004! When the state agencies need energy related services, earlier they hired mainland firms, now they hire firms in Hawaii that copy my work! My firm is the first local firm to provide such services in Hawaii.

Attached is also a graph from National Science Foundation (NSF). As noted from the NSF graph, unemployment is highest among Asian engineers and scientists. I am sure you all shocked with the attached graph but that is the fact we live with in the USA. Please, think for a moment, why unemployment is so high among Asian engineers and scientists in the USA.

I have been actively advocating for women owned architects, engineers and scientists after I see some many women architects, engineers and scientist close their office doors with tear in eyes.

Please visit my http://www.samehonolulu.org/wp-content/uploads/Melek SAME-Presentation-December-6-2015-3.pdf- for my presentation on why women architects, engineers and scientist leave their profession.

To elevate the work climate for women engineers and scientists in Hawaii, I respectfully ask your support for the subject Bill. Should you have any question, please do not hesitate to call me at my cell: 808-988-0200

Sincerely,

AMEL Technologies, Inc.

blek Galcinfar

Melek Yalcintas, Ph.D., P.E., CxA, CEM, LEED AP

President

Energy Engineer Of The Year Region V

Presented To

Dr. Melek Yalrintas

Years/



Association of Energy Engineers

For Outstanding Accomplishments In Promoting The Practices, Principles, And Procedures Of Energy Engineering. **ASSOCIATION OF ENERGY ENGINEERS®**

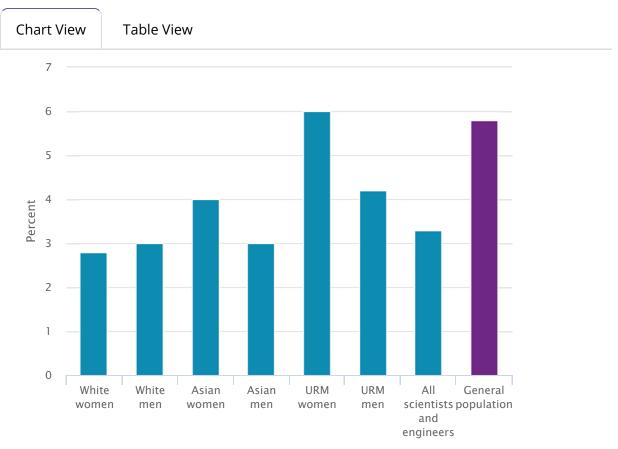
2016

Employment status

Unemployment rates

In 2015, unemployment rates were higher for underrepresented minority women than for all the remaining scientists and engineers combined. Between 2013 and 2015, the unemployment rate declined among Asian women but remained fairly similar for the other racial and ethnic groups. Overall, the rate fell slightly for all scientists and engineers.

Unemployment rates among scientists and engineers: 2015



URM = Underrepresented minority.

NOTE: The general population consists of the U.S. civilian noninstitutional population 16 years and over.

M

AMEL Technologies, Inc.

Engineering Consulting Services
Melek Yalcintas, Ph.D., P.E., LEED AP, CxA, CEM
2800 Woodlawn Drive, Suite 251, Honolulu, Hawaii, 96822
Tel: 808 988 0200, Fax: 808 988 0204, E-mail: melek@ameltech.com
www.ameltech.com

11 February 2017

COMMITTEE ON GOVERNMENT OPERATIONS

Senator Donna Mercado Kim, Chair Senator Russell E. Ruderman, Vice Chair

Subject: **TESTIMONY IN SUPPORT** of SB 1059

Relating to Small Business -

Hearing: Monday, February 13, 1:25 pm, State Capitol Room 414

My name is Melek Yalcintas and I am the president and owner of AMEL Technologies, Inc. an engineering consulting firm located in Honolulu, HI.

I respectfully submit this written testimony in support to SB 159 relating to Small Business. I believe this bill is late but it is a step in right direction. I say this is late but a step in right direction based on the data available on Hawaii Procurement Office web page and my experience as female business owner for over 13 years in Hawaii. Attached is the data compiled from Hawaii Procurement Office's web page. As noted in the data, The Hawaii Department agencies only awarded 3% of its contracts women owned Architectural and Engineering (A&E) firms in Hawaii. To put the numbers in perspective, over 20% of the graduates College of engineering and about 40% of the Architectural schools are female.

Over the years, I have noted time and again, local small A&E firms close their doors because they are treated unfairly. Unfair treatment of women owned and small business owners are well documented in the report prepared by Hawaii Department of Transportation. Attached is the cover page of the report. The full report is available online and free of charge. I would like to believe that the Hawaii Legislators are not proud of the findings of this report. Contrary, I would like to believe that the Hawaii legislators would be shocked with the content and finding of the report.

Further, just looking examples of progressive states such as California is sufficient to conclude the necessity of such a measure.

Should you have any question, please do not hesitate to call me at my cell: 808-988-0200

Sincerely,

AMEL Technologies, Inc.

lek Galcinfas

Melek Yalcintas, Ph.D., P.E., CxA, CEM, LEED AP

President

Table 1. Summary of awarded A&E contracts by the agencies of the State of Hawaii and the City and County of Honolulu

Agency Name	Duration of Evaluated Data	Total \$ Amount of Contract Award	Total \$ Amount of Contract Awarded to WO A&E Firm	# of Total Awarded A&E contract	# of Contracts Awarded to WO A&E Firms	# of MO Firms Awarded Contract	# of WO Firms Awarded Contract	% of # of A&E Contracts Awarded to WO Firms	% of \$ Amount of A&E Contracts Awarded to WO Firms	# of project per number of MO A&E Firm	# of project pernumber of WO A&E Firm	Notes
Department of Accounting and General Services	7/7/2014- 1/15/2009	\$56,692,437	\$3,281,551	349	13	76	. 4	3.7	5.8	4.4	3.3	One WO A&E firm received 96% of the \$ contract award
Department of Agriculture	7/17/2014-	\$12,043,565	\$646,913	37	3	18	2	8.8	5.37	1.9	1.5	One WO A&E firm received 89% \$ contract
Department of Business, Economic Development & Tourism	7/15/2014- 10/17/2011	\$12,483,239	\$550,000	33	1	26	1	. 3.3	4.4	1.2	1.0	
Department of Education	7/28/2014- 1/5/2009	\$95,359,434	\$3,978,803	765	42	126	10	5.5	4.2	5.7	4.2	Two WO A&E firms received 50% of total \$ contract
Department of Hawaii Homes and Land	6/27/2014- 2/3/2009	\$37,553,568	\$2,832,867	75	7	25	2	9.3	8.2	2.7	3.5	One WO A&E firm received 93% of \$ contract
Department of Natural and Land Resources	7/25/2014- 1/13/2009	\$24,866,914	\$768,401	124	4	52	. 2	3.2	3.1	2.3	2.0	One WO A&E firmed received 95% of \$ contract
Department of Defense	7/9/2014- 2/5/2009	\$9,883,977	\$183,158	68	2	37	, 2	2.9	1.9	1.8	1.0	
Department of Transportation	2/5/2009	\$385,937,990	\$325,000	257	1	74	. 1	. 0.4	0.08	3.5	1.0	WO A&E Firm out of State
University of Hawaii	8/4/2014- 7/1/2009	\$96,146,698	\$2,467,475	450	15	119	8	3.33	2.6	3.7	1.9	All awarded contracts to WO A&E firms were architectureal firms. No WO engineering firm received award.
Total State of Hawaii Departments		\$730,967,822	\$15,034,168	2158	88	553	32	2.06	4.08	3.7	2.8	
	8/2/2013 8/4/2014	\$262,770,880	\$676,000	79	2	55	1	2.5	0.25	1.4	2.0	One Firm received all WO Award
	15-Jul-14- 5/22/2009	\$49,626,430	\$1,233,525	122	4	47	2	3.3	2.5	2.5	2.0	One WO A&E firm received 79% \$ award
City and County of Honolulu Agencies WO: Women Owr		\$312,397,310 MO: Male Owned	\$1,909,525	201	6	102	. 3	0.6	3.0	1.9	2.0	

WO: Women Owned

MO: Male Owned

October 18, 2010

The State of Minority- and Women-Owned Business Enterprise: Evidence from Hawai'i

Prepared for the Hawai'i Department of Transportation



Legislative Testimony In SUPPORT of SB 1059

Wendell Jung, President Pelatron Center for Economic Development

Senate Ways and Means Committee Senator Jill Tokuda, Chair Senator Donavan M. Dela Cruz, Vice Chair

> Friday, February 24, 2017 9:35 a.m., Conference Room 211

Aloha Chair Tokuda, Vice Chair Dela Cruz, and Honorable Members of the Committee,

Thank you for this opportunity to submit testimony in SUPPORT of SB1059, Small Business Assistance Initiative, which establishes a temporary small business assistance initiative, small business advisory council, small business office, and small business procurement coordinator position within the state procurement office.

The Pelatron Center for Economic Development (PCED) is a non-profit corporation established to advance and promote the economic development within the Native Hawaiian community. PCED is an active participant in the Native Hawaiian Organizations (NHO) program and works very hard to accomplish its goals to develop community and business partnerships that provide mentoring, training, business incubation and other innovative activities. These partnerships leverage established contracting programs of the U.S. federal government including the Department of Defense, other Federal Government agencies. We value our opportunity to protect, promote, and advance the SBA 8(a) Business Development program for Native Hawaiian Organizations as well as other 8(a) companies based in the state of Hawaii.

Small businesses are critical to our economy. These businesses not only create invaluable employment opportunities, but also spur innovation and creativity. Many states throughout the nation recognize the value of their local small businesses and have small business procurement programs to help facilitate their growth and development. It is long overdue that the State of Hawaii have similar initiatives to ensure local small businesses obtain State contracting opportunities and the ability to grow and succeed. SB 1059 is the vehicle to establish a small business office which can assist Native Hawaiian, Veteran, and women owned small businesses throughout the State of Hawaii, creating opportunities for industrious individuals who will contribute and invest in their communities.

PCED strongly supports and urges the passage SB1059.

Thank you for your consideration and the opportunity to SUPPORT SB1059.

Wendell Jung wjung@pcednho.org 808-629-7016

Legislative Testimony In SUPPORT of SB 1059

Wendell Jung Board President Native Hawaiian Organizations Association (NHOA)

Senate Ways and Means Committee Senator Jill Tokuda, Chair Senator Donavan M. Dela Cruz, Vice Chair

> Friday, February 24, 2017 9:35 a.m., Conference Room 211

Aloha Chair Tokuda, Vice Chair Dela Cruz, and Honorable Members of the Committee,

Thank you for this opportunity to submit testimony in SUPPORT of SB1059, Small Business Assistance Initiative, which establishes a temporary small business assistance initiative, small business advisory council, small business office, and small business procurement coordinator position within the state procurement office.

The Native Hawaiian Organizations Association (NHOA) is a trade association established to provide a unified voice for Native Hawaiian Organizations (NHOs). NHOs are non-profit organizations authorized by the Small Business Administration (SBA) to participate in the 8(a) Business Development program. NHOs provide invaluable economic benefits to the State of Hawaii and the Native Hawaiian community by developing job opportunities, building the capacity of innovative industries, and supporting important social and economic programs.

Small businesses are critical to our economy. These businesses not only create invaluable employment opportunities, but also spur innovation and creativity. Many states throughout the nation recognize the value of their local small businesses and have small business procurement programs to help facilitate their growth and development. It is long overdue that the State of Hawaii have similar initiatives to ensure local small businesses obtain State contracting opportunities and the ability to grow and succeed. SB 1059 is the vehicle to establish a small business office which can assist Native Hawaiian, Veteran, and women owned small businesses throughout the State of Hawaii, creating opportunities for industrious individuals who will contribute and invest in their communities.

NHOA strongly supports and urges the passage SB1059.

Thank you for your consideration and the opportunity to SUPPORT SB1059.

Wendell Jung wjung@pcednho.org 808-629-7016



"Locally Owned & Operated in Hawaii Since 1961"

99 134 Waiua Way, Aiea, HI 96701

February 23, 2017



Testimony to the Senate Committee on Ways & Means Friday, February 24, 2017, 9:35 a.m. State Capitol-Conference Room 211

RE: Senate Bill 1059, Relating to Small Business

Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

My name is Anthony Borge and I am a board member on the Small Business Regulatory Review Board. Today however, I am here personally as a small business. RMA Sales is a locally owned, small business manufacturing and distributing louver jalousie windows, storm/security doors, screens and ancillary products here in Hawaii since 1961.

We are in **strong support S.B 1059** which would assist small businesses like ours in the state procurement process by establishing a temporary small business assistance initiative, small business advisory council, small business office, and small business procurement coordinator position within the state procurement office.

The proposed bill would definitely help small businesses navigate and understand the State of Hawaii's procurement process, nurture the growth and economic vitality of small businesses and communities throughout the state.

Thank you.

Respectfully submitted,

Anthony Borge General Manager

RMA Sales 99-134 Waiua Way

Aiea, HI 96701

Senate Ways and Means Committee Chair Jill Tokuda Vice Chair Dela Cruz

SUBJECT: Testimony in support of Senate Bill SB1059, Related to Small Business Assistance Initiative; Procurement Initiative; Appropriation

Chair Rep Tokuda, Vice Chair Dela Cruz and distinguished members of the Committee, I thank you for this opportunity to testify in support of the bill related to SB1059.

I'm Dr. Raymond Jardine Jr., Chairman and CEO of Native Hawaiian Veterans, LLC the SBA Small Business Leader of the Year and second runner up for the SBA National Small Business Leader of the Year for 2016. I had been appointed by the President of the United State as the Vice Chari to the National Veterans Business Development Corporation and the Veterans Administration Advisory Committee for Minority Veterans. I am the past president of the Native Hawaiian Organizations Association (NHOA) which has done over \$3 Billion in federal contract work over the last 10 years. My company is the largest SBA 8(a) and Service Disabled Veterans Owned Company in the State of Hawaii in the federal marketplace doing work in all 50 States and 4 Territories and has done work in 20 countries as well.

The sale and provision of services by businesses based and domiciled in Hawaii to the federal government is a vital part of our state and local economy. These opportunities provide jobs, economic development, and opportunities for our local residents to establish well-paying careers to sustain themselves and their families in Hawaii.

There are many small businesses in Hawaii doing business in the federal marketplace of which many are part of the SBA preferred program as indicated below:

•	Small Business (SB)	2095	
•	Small Disadvantage Business (SDB)	128	
•	SBA 8(a)	124	
•	Service Disabled Veterans Owned Small Business (SDVOSB)	128	
•	Historically Underutilized Business Zone (HUBZone)	69	
•	Women Owned Small Business (WOSB)	328	
•	Veteran Owned Small Business (VOSB)	189	
•	Native Hawaiian Organizations (NHO)	19	note: 35 firms

Although federal contracting is a highly lucrative field with the opportunity to greatly benefit our local businesses and economy, it is only possible because of the federal government preference program allocating 23% of all federal contracts to Small Businesses.

In 2005, the legislature passed the Small Business Bill, which, the Governor signed into law under Act 50. However, what is lacking is the ability to implement the law due to inadequate resourcing.

Over 34 states have Small Business Preference Programs giving opportunities to Small Business to compete and grow their businesses. It is nearly impossible for Small Businesses to compete against a Larger Business as the do not have the past performance, scalability and depth. Thus, the federal government and 34 other state governments have developed Small Business Preference Programs to create economic growth, limiting a handful of Large Business from monopolizing government contracting.

Therefore, with the State of Hawaii ranking 49th and 50th of the worst states to conduct business in the last 10 years, the question is; what can the State of Hawaii do to change this and transform this paradigm.

Small Businesses in Hawaii is shrinking at a alarming rate. Over 500 firms have closed their doors as they cannot maintain competiveness. This bill will help to start changing this pattern and create a mechanism to grow Small Businesses in Hawaii.

By passing this bill you will help establish the necessary resources to implement the Small Business Preference Program and create a more healthy economy for the State of Hawaii and its constituents.

Furthermore, it is a fact that Hawaii is one of the most unfriendly states to start and grow a business. It is critical to the State of Hawaii that we protect our economy and workforce by allowing our businesses to be competitive in State Procurement, leading them to become competitive in the federal marketplace as well.

Thus, growing Small Businesses in Hawaii will allow them to become competitive in federal contracting and will build a core to compete in CONUS and OCONUS.

Chairpersons and distinguished members of the Committees, I thank you once again for this opportunity to present my views on this critical bill to safeguard Small Businesses, grow our economy and the workforce in the State of Hawaii.

Dr. Raymond Jardine Jr.

Hawaii Business Magazine Best New Business – 2010

Native Hawaiian Economic Alliance Business Mentor – 2010

Hawaii Business Magazine Best Places to Work – 2011

Asian Enterprise Entrepreneur of the Year – 2013

SBA Hawaii Veterans Small Business Champion – 2014

Hawaii Business News FAST 50 – 2014

Hawaii Business Magazine Top 250 – 2014

Pacific Edge Magazine Business Executive of the Year – 2015

Hawaii Business Magazine CEO of the Year - 2015

Pacific Business News Magazine #1 Veterans Owned Business – 2015

Hawaii Business Magazine TOP 250 Companies – 2015

#1 Native Hawaiian Owned Company – 2015

#1 SDVOSB in Hawaii – 2015

#1 8(a) Company in Hawaii – 2015

INC Magazine Top 500 - 2015

Hawaii SBA Business Leader of the Year – 2016

SBA National Business Leader of the Year Second Runner Up – 2016

Pacific Business Magazine Business Leader of the Year Runner Up - 2016

Hawaiian Chamber of Commerce O'o award – 2016

Pacific Business News Magazine #1 Veterans Owned Business – 2016

Pacific Business News #1 Minority Owned Business – 2016

Pacific Business News Magazine Fastest 50 – 2016

Hawaii Business Magazine TOP 250 Companies – 2016

#1 Native Hawaiian Owned Company – 2016

#1 SDVOSB in Hawaii - 2016

#1 8(a) Company in Hawaii – 2016