HAWAII PPE SUPPLY CHAIN PROGRAM GUIDELINES

The following guidelines are adapted from HAR 15-33 Hawaii Manufacturing Development Program.

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SUBCHAPTER 1
GUIDELINES OF GENERAL APPLICABILITY

1 Purpose. The purpose of this document is to provide applicants with a reference of how the Hawaii technology development corporation intends to implement the Hawaii PPE Supply Chain program, which is authorized by Act 009, SLH2020.

2 Definitions. As used in this chapter, unless a different meaning clearly appears in context:

"Development corporation" means the Hawaii technology development corporation established by chapter 206M, HRS.

"Grant" means financial assistance provided to businesses in the State of Hawaii under the terms and conditions provided in this chapter.

"HRS" means the Hawaii Revised Statutes.

“Manufacturer” means a business categorized as a manufacturer, including primary, secondary, or tertiary codes, as defined by the federal North American Industry Classification System (NAICS) codes 31, 32, and 33;

“Manufacturing equipment” means equipment integral to the manufacturing process.

“PPE” is an abbreviation of Personal Protective Equipment and means, for the purpose of this program, cleaning supplies or protective clothing, helmets, gloves, face shields, goggles, facemasks and/or respirators or other equipment designed to protect the wearer from injury or the spread of infection or illness.

"Recipient" means any business receiving a grant under this chapter.

“Review Committee” means a group of three or more representatives selected with knowledge in public safety, manufacturing, innovation, or business.

"State" means the State of Hawaii.

3 Purpose of program. The purpose of the program is to provide grants to businesses in Hawaii to help establish a local supply chain of cleaning supplies and personal protective equipment in response to the COVID-19 public health emergency.

4 Grants; purpose; use of. (a) The development corporation may provide grants in accordance with Act 009, SLH2020 and in accordance with the requirements of the Coronavirus Aid, Relief, and Economic Security (CARES)
Act, Public Law 116-136. All grant funds must be expended for the purpose of this program and all expenses must be incurred by December 30, 2020, or any extension approved by the federal and state governments.

(b) Grants may be used by any recipient for any of the following purposes, provided that it directly relates to the purpose of this program:

(1) Purchase of manufacturing equipment and material supplies;
(2) Training of employees on the use of manufacturing equipment;
(3) Wage, Compensation, or Allowance for employees of the business who are performing the work described in the grant proposal; or
(4) Expenses related to the general operations of the facility equivalent to the percentage of the facility which is used for manufacturing PPE.

(c) Grants shall not be used by any recipient for any of the following purposes:

(1) Travel that is not directly related to, and necessary for, the purposes set forth in subsection (b);
(2) Effect a change in ownership of the recipient;
(3) Provide or free up funds for acquisition of any kind of real property;
(4) Entertainment or lobbying activities; or
(5) Payment for goods or services for which moneys were granted under any other federal or state program.

SUBCHAPTER 2

ELIGIBILITY AND SELECTION PROCESS

5 Eligibility requirements. (a) Any business applying for a grant shall meet all of the following qualifications:

(1) Demonstrate financial viability of the business and the ability to cover the balance of the cost of the good or service for which the business is applying for a grant;
(2) Is incorporated under the laws of the State, or registered to do business in the State;
(3) Has bylaws or policies that describe the manner in which the business shall operate

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(4) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which the grant is awarded;

(5) Demonstrates compliance with Hawaii Compliance Express;

(6) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability; and

(7) Allows the development corporation, legislative committees and their staff, and the auditor full access to its records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditures of the grant.

(b) Any business applying for a grant to manufacture PPE shall meet all of the qualifications in (a) and the following qualifications:

(1) Conduct manufacturing activities in the State;

(2) Is categorized as a manufacturer as defined by the federal North American Industry Classification System (NAICS) codes 31, 32, and 33;

(3) Agree that if selected for an award for manufacturing equipment, it will own and operate the equipment in the State for a minimum of two years;

(c) Any business applying for a grant to develop innovative solutions for this program shall meet all of the qualifications in (a) and the following qualifications:

(1) Conduct business in the State;

(2) Agree that if selected for an award for innovative solutions, will present the solution to the State;

(d) The minimum grant application amount that will be considered is $10,000.

6 Grant procedure. Any business applying for a grant shall provide prior to the receipt of any award funds, as applicable:

(1) A Dun and Bradstreet number;

(2) An agreement, signed by the authorized officer of the business, to expend funds as stated in the application and provide the State with proper documentation for expenditures equal to the amount of the award or return the full grant award to the State.
7 Consideration and review of applications. (a) The development corporation shall cause the review of the application and resolution of any questions relating to the application through contact with the grant applicant.
(b) Following such review and resolution, the review committee shall consider and make a decision on qualified applications.

8 Preferences and priorities in making grants. (a) In determining the distribution of funds, the development corporation shall be guided by the contribution of the project in building local capacity for producing cleaning supplies and PPE needed for the safety of the public from COVID-19, the nature and economic significance of the activity of each grant application, the importance of the grant to the activity’s success, and the potential economic advantage or job creation prospects offered to the State.
(b) The development corporation shall not grant more than one award to any business.

SUBCHAPTER 3
INSPECTION AND COMPLETION

9 Inspection of premises and records. The development corporation shall have the right to inspect at reasonable hours, the plant, physical facilities, equipment, premises, books, and records of any grant applicant either in the processing of the grant application or in the administration of the grant to the recipient. All records shall be retained by the business and available upon request for 5 years after final payment. Records may be subject to public inspection as provided by the Uniform Information Practices Act (except for confidential materials to the extent permitted by law).

10 Completion of surveys. (a) Recipients shall complete surveys from the development corporation designed to measure the economic and employment impact of this program and to comply with Federal regulations. Recipients shall complete the surveys annually for five years following the award.
(b) The development corporation may request recipients to provide information regarding issues encountered with the program and recommendations for its improvement.
11 Acknowledgment. Recipients shall acknowledge the State of Hawaii in a proper and appropriate manner as a funder in all promotional publications, press releases, and other informational materials relating to the recipient’s award for a period of two years following the award. Recipients shall provide such materials to the development corporation prior to their release to the public.

Notes for Revision 09/21/20

Revised 5.c.2 to read “present the solution to the State” instead of “cost-free use for 2 years”

Removed 8.b which referred to the manufacturing development program

Renumbered 8.c as 8.b