STAND. COM. REP. NO. 2413

Honolulu, Hawaii

FEB 19 2026

RE: S.B. No. 2928
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2928 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Permanently establish the Small Business Procurement Program and the position of the Small Business Procurement Coordinator within the State Procurement Office;

(2) Repeal the Small Business Assistance Initiative established in Act 168, Session Laws of Hawaii 2022; and

(3) Appropriate funds.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Transportation; State Procurement Office; Office of Economic Revitalization of the City and County of Honolulu; Maui Chamber of Commerce; Kapolei Chamber of Commerce; CivicNexus; Native Hawaiian Community Development Corporation; and one individual.

Your Committee finds that small businesses in the State are a critical driver of the state economy, yet historically they have faced structural barriers to participating effectively in public procurement. Fortunately, Act 168, Session Laws of Hawaii 2022 (Act 168), marked a significant turning point for state small businesses by establishing a five-year Small Business Assistance Initiative within the State Procurement Office, which increased vendor registration, awarded contracts to small businesses, conducted surveys, developed databases, participated in outreach events, and made draft administrative rules to support small businesses. This measure ensures continuity, preserves institutional knowledge, and allows the State to fully realize the benefits of its initial investment under Act 168 by formalizing the Initiative through the establishment of the Small Business Procurement Program.

Your Committee notes that the establishment of a permanent Small Business Procurement Program within the State Procurement Office could assist the Office with carrying out its other legislative endeavors, such as local business preference.

Your Committee has amended this measure by:

(1) Changing the appropriation amount from $126,000 to an unspecified amount, and the number of full-time equivalent (FTE) positions from one to an unspecified number, to encourage further discussion on the measure;

(2) Changing the repeal date for Act 168, Session Laws of Hawaii 2022, to January 1, 2525, to encourage further discussion;

(3) Inserting an effective date of July 1, 2525, to encourage further discussion; and

(4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains an unspecified appropriation amount and an unspecified number of full-time equivalent (FTE) positions. Should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it consider inserting an

appropriation amount of $126,000 for the establishment of one full time equivalent (1.0 FTE) Small Business Procurement Coordinator position within the State Procurement Office.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2928, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Government Operations,

Operations,

ANGUS L.K. MCKELVEY, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:*	Committee Referral:	Date:
SB2928	GVO, WAM	2/10/2026

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
MCKELVEY, Angus L.K. (C)	✓			
GABBARD, Mike (VC)	✓			
HASHIMOTO, Troy N.	✓			
MORIWAKI, Sharon Y.	✓			
AWA, Brenton	✓			
TOTAL	5	—	—	—

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: Mike Gabbard

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26