

**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

**ON THE FOLLOWING MEASURE:
H.B. NO. 1607, RELATING TO PUBLIC PROCUREMENT.**

**BEFORE THE:
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY**

DATE: Friday, January 30, 2026 **TIME:** 10:00 a.m.

LOCATION: State Capitol, Room 423

TESTIFER(S): Anne E. Lopez, Attorney General, or
Jung Min (Charles) Lee, Deputy Attorney General

Chair Ilagan and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments on this bill.

The purpose of this bill is to require purchasing agencies to apply a tiered local preference to Hawai'i businesses when evaluating bids or proposals, with the preference decreasing as contract value increases and ending for contracts valued at \$10,000,000 or more. Eligibility is based on self-certification that the business maintains its principal place of business in Hawai'i and that at least eighty percent of contract labor (by time and expenses) will be incurred by persons domiciled in Hawaii.

The Department recognizes the Legislature's goal of supporting the local economy, but notes potential federal constitutional and implementation issues that could invite challenges by out-of-state vendors. Out-of-state companies may argue the bill is discriminatory because it conditions a preference on in-state status and an eighty-percent labor threshold tied to persons "domiciled" in Hawaii. Under the dormant Commerce Clause, measures that discriminate against interstate commerce are subject to the "strictest scrutiny" and are generally invalid absent a sufficient justification and the absence of reasonable nondiscriminatory alternatives. See *Hughes v. Oklahoma*, 441 U.S. 322, 336–37 (1979). Because this bill operates in the procurement context, the State may contend it is acting as a market participant and therefore has greater latitude in setting contract terms; however, litigation risk may turn on whether a court views the

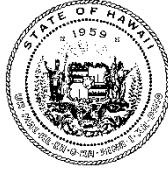
bill as a permissible condition on the State's own purchasing decisions or as protectionist regulation of the broader market. *See White v. Mass. Council of Constr. Emps., Inc.*, 460 U.S. 204, 206–08 (1983).

The bill also raises Equal Protection concerns because domicile-based eligibility criteria may be challenged as favoritism toward local economic interests for its own sake; the Supreme Court has held that "promotion of domestic business by discriminating against nonresidents" is not, standing alone, a legitimate state purpose. *See Metro. Life Ins. Co. v. Ward*, 470 U.S. 869, 878–83 (1985). To reduce litigation risk under both doctrines and improve uniform administration, the Committee may wish to (1) clarify that the preference applies only to the State's procurement decisions (reinforcing the market-participant posture), (2) replace or supplement "domicile" with objective, procurement-relevant criteria tied to in-state performance and measurable economic impact (rather than residency as an end in itself), and (3) tighten the "eighty per cent" standard by defining how "time and expenses" are measured, documented, and verified.

Lastly, the Department identifies a specific operational risk regarding the "self-certification" process established in subsection (b) of the new section of chapter 103D, at page 3, lines 1-9. While the bill requires businesses to attest to their eligibility, it lacks a mandatory pre-award verification protocol to ensure these claims are accurate before a contract is finalized. Without a standardized procedure for purchasing agencies to validate a bidder's self-certified status, the State and counties face an increased risk of bid protests from unsuccessful competitors who may challenge the legitimacy of a local preference claim. This administrative gap could lead to costly litigation and significant delays in the procurement process, as agencies may be forced to adjudicate complex residency and labor disputes during the evaluation phase. Additionally, the bill does not define how "labor" or "domiciled" should be measured, which may lead to further ambiguity and misinterpretation by both purchasing agencies and bidders. We respectfully ask the Committee to consider these legal and operational points as the bill proceeds.

Thank you for the opportunity to provide these comments.

JOSH B. GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



BONNIE KAHAKUI
ADMINISTRATOR
DAYNA OMIYA
ASSISTANT ADMINISTRATOR

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**TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE HOUSE COMMITTEE
ON
ECONOMIC DEVELOPMENT & TECHNOLOGY
JANUARY 30, 2026, 10:00 AM**

**HOUSE BILL 1607
RELATING TO PUBLIC PROCUREMENT**

Chair Ilagan, Vice Chair Hussey, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1607. The State Procurement Office (SPO) appreciates the intent to support local businesses by strengthening our local economy, promoting employment of Hawaii residents, and retaining economic benefits within the state. The SPO respectfully offers the following comments and recommendations.

COMMENTS

Chapter 103D, Hawaii Revised Statutes (HRS), the Hawaii Public Procurement Code, is the single source of public procurement policy. Its purpose is to promote fair and open competition, ensure equal opportunity, and safeguard the integrity of the contracting process. Furthermore, the Code is applied equally and uniformly to maintain transparency and accountability while preventing favoritism, collusion, or fraud in awarding contracts. These principles are essential for good governance. Pursuant to Section 103D-101, HRS, economic competition is encouraged by "ensuring all persons are afforded an equal opportunity to compete in a fair and open environment."

Applying a local preference to procurements may reduce competition and increase costs to taxpayers. National procurement organizations, including the National Association of State Procurement Officials (NASPO) and the National Institute of Governmental Purchasing (NIGP), have noted that preferences in procurement processes can increase costs and limit market participation.

Historically, NASPO has opposed purchasing policies for in-state preferences. As procurement professionals, preferences in procurement processes are viewed as increased cost to the state. Whether through awarding a contract to a vendor with a preference or the procurement resources required for applying, analyzing and reviewing, preferences increase overall contract costs of the contract. NIGP has also opposed all types of preference laws and practices, and views them "as

impediments to the cost-effective procurement of goods, services and construction in a free enterprise system."

Additionally, when a percentage preference is allowed, businesses and services may choose to withhold a bid or proposal if they do not meet the preference and will not gain from participating in the procurement process. This results in a smaller market and less competition, which leads to an increase in prices due to lack of competition.

RECOMMENDATIONS

The SPO acknowledges the intent to strengthen Hawaii's economy and support local businesses. However, to apply the preference to **ALL the solicitations, regardless of dollar level, will be** tedious and cumbersome for purchasing agencies, and will cause unnecessary delays in the procurement process. Therefore, we recommend that the local preference apply only to **Sections 103D-302, Competitive Sealed Bidding, and 103D-303, Competitive Sealed Proposals**, which provide structured competitive procedures with formal evaluation and award requirements that can accommodate a limited preference while preserving transparency and competition. The preference **should not apply to Section 103D-305, Small Purchases**, which is intended to provide a simplified and expedited method for obtaining goods, services, and construction.

Therefore, the SPO recommends the following language for SECTION 2, Page 2, lines 18-21:

"**§103D- Hawaii businesses.** (a) Notwithstanding any law to the contrary, a purchasing agency shall apply a local preference to a Hawaii business in evaluating bids in accordance with §103D-302 or proposals in accordance with §103D-303 under this part.

Additionally, the six-tier structure (10%, 8%, 6%, 4%, 2%, none) based on bid size may cause confusion for agencies and vendors. To simplify the administration of bids, the SPO recommends applying a flat percentage (e.g. 5%) for all qualifying bids and proposals under \$10M and applying no preference for bids and proposals over \$10M.

The SPO recommends the following language for SECTION 3 on Page 3, lines 18-21, and Page 4, lines 1-3.

(d) The local preference percentage shall be applied as follows:

- (1) For contracts with a bid or proposal price of less than \$10,000,000, the preference shall be five per cent;
- (2) For contracts with a bid or proposal price of greater than \$10,000,000, no preference shall be given.

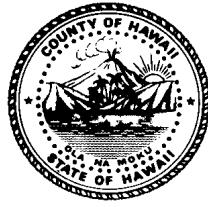
The SPO recommends deleting the language for (d)(3) through (d)(6).

Thank you for the opportunity to submit testimony on this measure.

C. Kimo Alameda, Ph.D.
Mayor

Benson Medina
Director

William V. Brilhante, Jr.
Managing Director



Dennis Lin
Deputy Director

DEPARTMENT OF RESEARCH AND DEVELOPMENT

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January 30, 2026

TESTIMONY IN SUPPORT

Bill HB1607
Related to Public Procurement
House Committee on Economic Development

Requires purchasing agencies to apply a local preference to Hawaii businesses in evaluating bids or proposals. Establishes criteria for a Hawaii business to qualify for a local preference. Establishes tiered local preference percentages to be applied based on bid price. Establishes procedures for contract awardees who fail to meet or maintain the preference criteria.

Dear Chair Ilagan, Vice Chair, and Committee Members,

My name is Benson Medina, Director of the County of Hawaii, Department of Research and Development. Our Department is committed to fostering a stronger, more resilient, and culturally rooted future for our island community. Our programs cover Business and Industry Development, Agriculture and Food Systems, Regenerative Tourism, Film and Creative Media, Community Well-being, and Workforce Development.

Our Department strongly supports HB1607, which seeks to provide a “local preference” for State and County level procurement. By providing percentages that can be applied to bid price, we can help support island businesses and continue to keep our local workforce employed. We understand that there will still be considerations for qualifications and minimums required by State Procurement laws.

We also support the conditions set out in the bill that the place of business and the workforce be domiciled in the State of Hawaii.

We thank you for your consideration of HB1607 and ask for your support in advancing this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Benson Medina".

Benson Medina,
Director

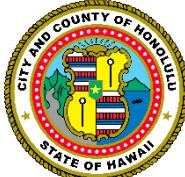
OFFICE OF ECONOMIC REVITALIZATION
KE KE'ENA HO'OMOHALA WAIWAI
CITY AND COUNTY OF HONOLULU

RICK BLANGIARDI
MAYOR
MEIA

711 Kapi'olani Boulevard, FLOOR 12 • HONOLULU, HAWAII 96813
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AMY ASSELBAYE
EXECUTIVE DIRECTOR
PO'O HO'OKO

DEBORAH ZYSMAN
DEPUTY DIRECTOR
HOPE PO'O



FRIDAY, JANUARY 30, 2026

The Honorable Gregg Ilagan, Chair,
The Honorable Ikaika Hussey, Vice-Chair
and Members of the Committee on Economic Development and Technology
House of Representatives
415 South Beretania Street, Room 423
Honolulu, HI, 96813

SUBJECT: Honolulu Office of Economic Revitalization Support for House Bill 1607 Relating to
Public Procurement

Aloha Chair Ilagan, Vice Chair Hussey, and Committee Members:

The Office of Economic Revitalization offers testimony in **support of HB1607**, which would require state and county purchasing agencies to apply a local preference when evaluating bids or proposals from Hawai'i-based businesses. This policy leverages government procurement as a strategic tool to strengthen our local economy, increase employment, and reinvest taxpayer funds back into Hawai'i communities. We believe strongly that **buying local Is Smart Economic Policy**

Research and practice indicate that procurement policies prioritizing local businesses are widely used and supported as effective economic development strategies. To further outline our support, we would like to highlight the following public benefits that would be garnered from this legislation:

1. Keep Money Circulating Locally. Studies demonstrate that dollars spent with local businesses generate a disproportionate economic benefit for the community compared with spending outside the local economy.

2. Public Procurement as Economic Development. Academic and policy research¹ underscores government procurement's role as an economic development instrument. Local procurement

¹ Abutabenjeh, S., Gordon, S., & Mengistu, B. (2018). *The impacts of in-state procurement preference policies on the economy of South Carolina*. *Journal of Public Procurement*, 18(3), 240–256

increases revenues for local firms, stimulates job growth, and strengthens local supply chains — benefits that extend beyond the initial contract through wages and re-spending in the local economy.

3. Long-Term Economic Gains. While a local preference may result in slightly higher unit prices, these costs are offset by increases in local employment, tax revenue, and economic circulation. Dollars retained locally improve household incomes, increase spending power, and ultimately broaden the state's tax base.

4. Stronger Local Supply Chains and Resilience. Local sourcing can reduce vulnerability to global supply shocks and transportation delays, and enhance responsiveness for state and county contracting needs.

5. National Practice. Local preference policies are not novel or out of step with national practice. Numerous state and local governments in the United States employ resident preference or similar local content provisions in public procurement as a recognized tool to support local business and employment. The National Association of State Procurement Officials maintains a detailed repository of the various state policies (www.naspo.org).

To the extent the proposed procurement policy would be prohibited by the receipt and use of federal funds, the policy should allow for exceptions.

For these reasons, the Office of Economic Revitalization urges **the Committee to support HB1607**. This legislation represents sound, strategic economic policy that will benefit the State's economy and its people. Thank you for your consideration.

Sincerely,

Amy Asselbaye
Executive Director

**ECONOMIC REVITALIZATION COMMISSION
KOMIKINA HO'OMOHALA WAIWAI
CITY AND COUNTY OF HONOLULU**

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TESTIMONY
OF
THE ECONOMIC REVITALIZATION COMMISSION
OF THE CITY AND COUNTY OF HONOLULU
TO THE HOUSE COMMITTEE
ON
ECONOMIC DEVELOPMENT AND & TECHNOLOGY
January 30, 2026, 10:00 a.m.
HOUSE BILL 1607
RELATING TO PUBLIC PROCUREMENT

The Economic Revitalization Commission (the “OER Commission”) of the City and County of Honolulu **strongly supports HB1670**. This testimony is submitted on behalf of the OER Commission by Commissioner Chair Eliza Talbot, and Commissioners Melialani James and Gregory Kim.

HB1670 Would Boost Local Small Business

HB1670 would amend the Hawaii public procurement code to provide for reasonable preferences to Hawaii vendors in bidding for contracts from the purchasing agencies of the

State and counties. It would provide for a local preference that will help level the playing field for Hawaii contractors who are capable to providing the goods or services as a competitive price, while maintaining a competitive bidding environment. When Hawaii contractors have the ability to bid on larger contracts, they should be competitive without a preference, which would be more costly to Hawaii taxpayers. While there may be a modest increase in the costs for bid contracts as a result of the local preference, those costs will be offset by increases in State and county revenues from the additional business activity, from the creation of additional work and employment for Hawaii people, and from the building of sustainable economies in the State.

HB1670 would strike a balance between the need for competitive bidding, and the need to support local businesses build capacity and achieve financial stability and growth. It would offer a sliding scale of discounts to local contractors, declining as the size of the contracts grows up to \$10 million. Contracts over that amount would not be offered a local preference. Contractors who are able to bid and perform contracts over \$10 million should have developed sufficient capacity to compete without a local preference, and do not need the training wheels of a local preference. This approach would place emphasis on smaller contracts and capacity building, with the goal of growing Hawaii businesses that can effectively compete on their own.

In addition, the definition of a local business in HB1607 is designed to support local contractors who employ local residents to perform the contracts. This will ensure that contracts are awarded to contractors who hire local employees, thereby increasing capacity and expertise in our State, and at the same time generating revenues and spending in the State of Hawaii, which otherwise would be flowing to contractors and employees outside of our State. It allows mainland companies to form Hawaii businesses and benefit from the local preference, so long as it meets the local employment requirements.

HB1607 would not impact the other criteria used in the bidding process. The proposed preferences would help local businesses obtain contract awards, but they must still be qualified to do the work. This will promote local self-reliance. If they are not qualified according the terms of the particular bid, they will not win the contract.

The OER Commission's Procurement Initiative

Since its inception, the OER Commission discussed and understood the potential of the local procurement processes to stimulate growth of the Hawaii economy and increase capacity our State. Honolulu's distinct environment presents challenges and opportunities not typically seen in continental cities. Its geographic isolation, multicultural population, and heavy reliance on tourism and local industries create unique obstacles. Honolulu's businesses often struggle with supply chain misalignment, unaffordable workforce housing, and a high cost of living and doing business. As the most remote major city in the world, Honolulu requires innovative, localized strategies to address these complexities. The city's strong cultural ties to Native Hawaiian traditions and a blend of Asian and Pacific Islander influences further shape its economy, governance, and community dynamics in ways that differ significantly from mainland

cities. Additionally, Honolulu's tropical climate and focus on environmental stewardship make sustainability initiatives—such as climate resilience and ocean conservation—both critical and challenging.

Given these unique conditions, the OER Commission has consistently emphasized the importance of increasing access to contract opportunities in the City's procurement process for locally based companies, and has made that a priority. Businesses operating within Hawai'i possess invaluable insights into local needs and preferences, often enabling them to deliver better outcomes for the City and the community. Expanding the participation of local firms in City contracts not only drives economic sustainability but also fosters long-term community development and resilience. This aligns with the goals of the O'ahu CEDS.

Since May 2024, the OER Commission convened a series of permitted action groups to research best practices and evaluate strategic adjustments to procurement policies to help more locally-based firms compete for and secure City contracts. HB1607 is the culmination of those efforts, and incorporates best practices with respect to local preferences, tailored to meet the needs of the Hawaii community.

Supporting local businesses strengthens Hawaii's economy, creates jobs, creates capacity, and enhances economic and environmental sustainability. Too much Hawaii governmental funds are being spent on non-Hawaii contractors, who do not pay taxes, create local jobs, or build the Hawaii economy. Local businesses often face barriers to competing for government contracts due to higher costs, and their limited size and capacity.

About the OER Commission

The OER Commission works side-by-side with the Office of Economic Revitalization ("OER") to make O'ahu a good place to do business. The OER Commission supports OER's efforts to diversify the economy through job training and funds for targeted industry sectors like healthcare, technology, skilled trades, clean energy and creative industries. The OER Commission supports OER's efforts to leverage partnerships, federal dollars, and other opportunities to address economic challenges on O'ahu.

OER was in July 2020 organized to provide leadership, information, and resources for O'ahu's economic revitalization. The Honolulu City Council formally established the Office of Economic Revitalization in the City Charter shortly thereafter on October 7, 2020. As required in the OER Charter language, the City created the OER Commission with nine members, charged with advising OER through a strategic economic development plan and meeting at least quarterly.



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Executive Officers

Kit Okimoto, Okimoto Corp., *Chair*
Jayson Watts, Mahi Pono, *Vice Chair*
Jill Tamura, Tamura Super Market, *Secretary/Treas.*
Lauren Zirbel, HFIA, *President and Executive Director*
Paul Kosasa, ABC Stores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, Odom, *Advisor*
Eddie Asato, Pint Size Hawaii, *Advisor*
Gary Okimoto, Safeway, *Advisor*
Maile Miyashiro, C&S Wholesale, *Immediate Past Chair*

TO: Committee on Economic Development and Technology

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: January 30, 2026

TIME: 10am

RE: HB1607 Relating to Public Procurement

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

HFIA has proudly produced the Made in Hawaii Festival for over 30 years! We know the value of locally made products.

Supporting local manufacturing is a vital step to diversifying our economy and making our state stronger, more resilient, and more self-sufficient. As the measure notes, "supporting local businesses strengthens the State's economy by creating more local jobs, increasing local workforce and business capacity, and enhancing economic and environmental sustainability."

State level purchasing is a powerful tool to help support local businesses and create opportunities for in state manufacturing of goods and products that we use and need here in Hawaii.

We encourage the Committee to pass this measure and we thank you for the opportunity to testify.



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Brad Nicolai
Mike Pietsch
Sunshine Topping

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
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President & Executive Director

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Page 1 of 1

Committee:

House Committee on Economic Development and Technology

Bill Number:

HB 1607, Relating to Public Procurement

Hearing Date and Time: **January 30, 2026 at 10:00am (Room 423)****Re:**

Testimony of Holomua Collaborative- Support

Aloha Chair Ilagan, Vice Chair Hussey, and Committee Members:

We write in support of House Bill 1607, Relating to Public Procurement. The purpose of HB1607 is to help local businesses thrive by allowing them to be competitive when applying for bids or proposals from government purchasing agencies.

Holomua supports initiatives that help keep all local working families in Hawai'i by addressing issues of affordability. For Hawai'i to be affordable for local working families, we need to ensure that our local business community is provided with the opportunities necessary to expand and succeed in an uncertain economy. *Only 19% of respondents in a recent survey of 3200 local residents agree that "Hawai'i is a good place to do business."* This statement also shows a high percentage of disagreement, with 44 percent *disagreeing* that Hawai'i is a good place to do business. And 9 out of 10 respondents agree that Hawai'i needs to recruit and retain critical workforce members.¹

One way to improve the business climate in Hawai'i is to increase opportunities for our local businesses to compete for and receive government bids and proposals through procurement.

The higher costs of doing business in a small, physically separated state with limited local workforce and fewer options to provide competitive prices for goods and services put our local businesses at a disadvantage when competing for State and County contracts. Providing preferences in the procurement process for Hawai'i businesses that result in the awarding of contracts to local companies will help stimulate our economy and lift our workforce.

We ask that you support HB 1607.

Sincerely,

Matthew Prellberg
Policy and Communications Director

¹ 2025 Affordability Survey, Holomua Collective. www.holomuacollective.org/survey-25.

Written Statement of
Trung Lam, Executive Director

before the
House Committee on Economic Development & Technology

Friday, January 30, 2026
10:00 am
Conference Room 423 & Videoconference

In consideration of
HB 1607
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

Chair Ilagan, Vice Chair Hussey, and Members of the Committee.

HTDC supports HB1607, which strengthen the local economy by requiring purchasing agencies to apply a local preference to Hawaii businesses in public procurement.

A robust local preference policy has the potential to stimulate economic growth, retain capital within the state, and foster job creation in high-value sectors. According to the National Business Association, every \$100 spent at a local business, \$68 stays in the local economy, compared to just \$43 when spent at non-local firms. For Hawaii's technology sector, which contributed over \$1 billion to the state's GDP in 2022 and supports over 29,000 high-skilled jobs, targeted procurement preferences could accelerate the growth of homegrown innovation and entrepreneurship.

HTDC supports the principle of local preference in public procurement and encourages the legislature to ensure that the final policy is inclusive of Hawaii's technology and innovation sectors, which are critical to the state's long-term economic resilience and global competitiveness. We look forward to working with the committee to refine HB1607 so it maximizes benefits for Hawaii's diverse and rapidly evolving business landscape.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

January 30, 2026

House Committee on Economic Development & Technology
Representative Greggor Illagan, Chair
Representative Ikaika Hussey, Vice Chair

Friday, January 30, 2026, 10:00 a.m.
Conference Room #423 and via video conference



RE: HB 1607 Relating to Public Procurement

Dear Chair Ilagan, Vice Chair Hussey and members of the Committee,

My name is Kiran Polk, and I am the Executive Director & CEO of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region including Waipahu, Kapolei, 'Ewa Beach, Nānakūli, Wai'anae and Mākaha. We work on behalf of our members and the broader business community to improve the regional and State economic climate and to help West O'ahu businesses thrive.

The Kapolei Chamber of Commerce **strongly supports HB 1607**, which would require purchasing agencies to apply a local preference to Hawai'i businesses when evaluating bids or proposals. This measure establishes clear criteria for Hawai'i businesses to qualify for a preference and applies a tiered approach based on contract value, helping to ensure fairness, accountability, and transparency in public procurement.

Supporting locally owned businesses, particularly small businesses in West O'ahu, is one of the Kapolei Chamber's key priorities. Local businesses often face higher operating costs and capacity constraints when competing for state and county contracts. By creating a structured local preference, HB 1607 helps level the playing field and provides Hawai'i-based businesses with a more meaningful opportunity to compete.

Importantly, this measure balances economic opportunity with fiscal responsibility. While local preferences may result in modest cost differences in some cases, those costs are offset by **increased local employment, stronger business retention, and the long-term economic benefits of keeping public dollars circulating within Hawai'i's economy and workforce.**

For these reasons, the Kapolei Chamber of Commerce **strongly supports HB 1607** and respectfully urges the Committee to pass this measure.

Thank you for this opportunity to provide testimony.

Best,

Kiran Polk
Executive Director & CEO



**HEARING BEFORE THE HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT & TECHNOLOGY
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 423
Friday, January 29, 2026 AT 10:00 A.M.**

To The Honorable Rep. Greggor Ilagan, Chair
The Honorable Rep. Ikaika Hussey, Vice Chair
Members of the Committee on Economic Development & Technology

SUPPORT HB1607 RELATING TO PUBLIC PROCUREMENT

The Maui Chamber of Commerce **Strongly Supports HB1607** that requires purchasing agencies to apply a local preference to Hawaii businesses in evaluating bids or proposals.

We recognize the importance of state procurement policies that support local economic growth and foster opportunities for businesses operating in Hawaii. This bill directly impacts our members by improving their ability to compete for and secure government contracts.

The approach to establishing clear criteria for qualifying as a Hawaii business and implementing tiered local preference percentages aligns with our goal of ensuring that local businesses, particularly small- and mid-sized organizations, are not disadvantaged in the procurement process. We would also like to see an equally distributed percentage of overall procurement go to neighbor island businesses, who often have additional challenges. By prioritizing local vendors, the measure helps keep state spending within the local economy, supporting job retention, workforce development, and the overall resilience of Hawaii's business sector. This is especially important given the ongoing economic challenges faced by many businesses, including rising labor costs, a softened visitor market, and recovery.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

House Committee on Economic Development & Technology

January 30, 2026

Page 2.

We note that the bill also introduced procedures for addressing situations where contract awardees fail to meet or maintain the preference criteria. This accountability mechanism is important for maintaining the integrity of the procurement process and ensuring that the intended benefits of local preference are realized. However, it is critical that these procedures are implemented in a manner that is transparent, fair, and not unduly burdensome for small businesses, which may have limited administrative resources.

To maximize the effectiveness of HB1607, we respectfully recommend that the implementing agencies provide clear guidance and outreach to help businesses understand and comply with the new requirements. Additionally, we encourage consideration of streamlined verification processes and reasonable timelines for corrective action, so that well-intentioned local businesses are not penalized for minor or inadvertent errors.

We appreciate the opportunity to provide testimony on this bill to create sustainable procurement policies for our local businesses. We look forward to working collaboratively to strengthen Hawaii's business community.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



**TITLE GUARANTY
HAWAII**

January 30, 2026

Testimony in support of HB 1607, Relating to Public Procurement

Aloha Chair Ilagan, Vice Chair Hussey, and Committee Members,

Title Guaranty of Hawai'i respectfully submits testimony in strong support of House Bill 1607, Relating to Public Procurement. HB 1607 supports local economic development by ensuring that Hawai'i-based businesses receive fair consideration when State agencies evaluate bids and proposals.

Title Guaranty of Hawai'i is the oldest and largest title company in the State, but at our core we remain a locally rooted, family-owned business. Since 1896, we have been owned and operated by a kama'āina family, growing steadily alongside Hawai'i's communities. Today, we employ more than 250 local residents across the islands, many of whom have built long-term careers with our company.

When State contracts are awarded to local companies, the benefits ripple outward to many other small businesses that provide professional services, technology, maintenance, and support. Local procurement keeps dollars circulating within the community and helps sustain the small business networks that form the backbone of Hawai'i's economy.

HB 1607 recognizes that procurement policy can either strengthen or weaken local business ecosystems. Applying a local preference helps ensure that Hawai'i businesses, particularly those deeply invested in their communities, can compete on a more level playing field. This approach supports job stability, workforce retention, and the long-term viability of locally owned companies.

For these reasons, Title Guaranty of Hawai'i strongly urges the Committee to pass HB 1607 and support policies that allow local businesses and the communities they serve to thrive together.

Mahalo for the opportunity to testify.

Sincerely,

Mike B. Pietsch

President and Chief Operating Officer
Title Guaranty of Hawai'i



Title and Escrow is our business. Hawaii is our home.





January 30, 2026

Committee:

**House Committee on Economic Development
and Technology**

Bill Number:

HB 1607, Relating to Public Procurement

Hearing Date and Time:

January 30, 2026, 10:00am

Re:

Testimony of HPM Building Supply in Support

Dear Chair Ilagan, Vice Chair Hussey, and Committee Members:

HPM Building Supply submits this testimony in strong support of House Bill 1607, Relating to Public Procurement. HB 1607 represents a practical and effective approach to economic development by prioritizing local businesses in State purchasing decisions.

HPM Building Supply is a 100% employee-owned company serving Hawai'i's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawai'i and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities.

Hawai'i's economy is at a crossroads. As the cost of living continues to rise and businesses face mounting challenges, we must take action to keep our local economy diverse and sustainable. When procurement policies favor local companies, the benefits extend well beyond individual contracts. Local procurement supports skilled trades, manufacturing, transportation, and professional services, while ensuring that capital circulates within the local economy rather than leaving the state.

As an employee-owned company, HPM directly connects business success to employee well-being. Procurement policies that support local businesses translate into stable jobs, career advancement, and community reinvestment. These outcomes are central to sustainable economic development.

HPM Building Supply respectfully urges the Committee to pass HB 1607 and advance policies that strengthen Hawai'i's economy from the ground up.

Sincerely,

Jason Fujimoto
Chairman & CEO



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HB-1607

Submitted on: 1/27/2026 4:29:57 PM
Testimony for ECD on 1/30/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Eliza Talbot	Individual	Support	Written Testimony Only

Comments:

TO: The Honorable Chair and Members of the House Committee on Economic Development
FROM: Eliza Talbot
DATE: January 27, 2026
SUBJECT: Testimony in Support of H.B. 1607, Relating to Public Procurement

Aloha Chair Illigan and Members of the House Committee,

My name is Eliza Talbot, and I currently serve as the Chair of the Economic Revitalization Commission for the City and County of Honolulu, as a member of the Commission, I offer my strong support for House Bill 1607, Relating to Public Procurement. This bill is a top priority for the Commission members, as we seek to find creative ways to boost Honolulu's economic resilience.

This measure, which requires purchasing agencies to apply a local preference to Hawai‘i businesses in evaluating bids or proposals, is a critical step toward ensuring that our public procurement dollars are reinvested in our community. By establishing a preference for local businesses, we can foster economic growth, create more jobs, and support the resiliency of our islands.

I believe H.B. 1607 will help level the playing field for small and medium-sized Hawai‘i businesses that often struggle to compete with large, out-of-state companies. The tiered local preference percentages established in this bill will encourage state and county agencies to intentionally seek out and select local vendors, thereby boosting our state's economic ecosystem.

I urge you to pass this important measure.

Mahalo for your time and consideration.

With Aloha,
Eliza Talbot

HB-1607

Submitted on: 1/28/2026 9:37:57 AM
Testimony for ECD on 1/30/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

This is a great way to support local businesses.