

STAND. COM. REP. NO. **2758**

Honolulu, Hawaii

MAR 05 2026

RE: S.B. No. 2075
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 Ways and Means, to which was referred S.B. No. 2075, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to support local businesses by establishing Hawaii bidder and offeror preferences in the Hawaii Public Procurement Code.

Specifically, this measure:

- (1) Requires purchasing agencies to apply a local preference when evaluating bids or proposals from qualified Hawaii bidders or offerors who submit a timely preference certification;
- (2) Establishes criteria for a bid or proposal to qualify for a local preference;
- (3) Establishes it as a cause for disbarment to knowingly make false or misleading statements or certifications of material fact to obtain or retain a Hawaii bidder or offeror preference; and
- (4) Requires the Procurement Policy Board to adopt rules to implement the Hawaii bidder and offeror preferences.



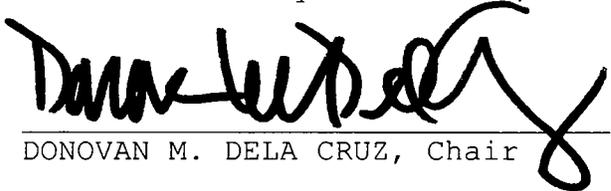
Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, Economic Revitalization Commission of the City and County of Honolulu, Office of Economic Revitalization of the City and County of Honolulu, Chamber of Commerce Hawaii, Hawaii Farm Bureau, Holomua Collaborative, Hawaii Food Industry Association, Kapolei Chamber of Commerce, HPM Building Supply, Mana Up, Title Guaranty, aio, and one individual.

Your Committee received written comments on this measure from the Department of Human Services, State Procurement Office, and one individual.

Your Committee finds that although local preference programs have been adopted by other jurisdictions, the creation of an aggressive local preference may increase litigation risk under certain provisions of the United States Constitution. Accordingly, your Committee finds that it is prudent to instead adopt a modest and carefully structured preference percentage, including clear verification standards, reciprocity provisions, and federal funding limitations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2075, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



