

STAND. COM. REP. NO. **2222**

Honolulu, Hawaii

FEB 12 2026

RE: S.B. No. 2308
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. 2308 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the contract award value that triggers required proof of vendor compliance from \$2,500 to \$6,000.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Finance of the County of Kaua'i, and Maui Chamber of Commerce.

Your Committee received comments on this measure from the State Procurement Office and Hawaii State Public Library System.

Your Committee finds that the existing compliance threshold under the State Public Procurement Code, where any offeror awarded a state contract worth at least \$2,500 must demonstrate compliance with various state business laws, is outdated and unduly low, forcing even small awarded contracts to undergo the same certification process as much larger awarded contracts. Your Committee believes that raising the compliance threshold could reduce administrative burdens for the government and vendors, expedite the procurement of contracted goods and services, and encourage greater participation and effective competition. This



measure will increase the compliance threshold to a level that is relevant to today's economy and advantageous for the State and private businesses.

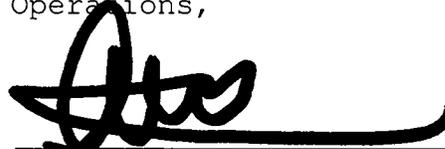
Your Committee notes the testimony offered by the State Procurement Office that increasing the compliance threshold to \$5,000, rather than \$6,000, would properly account for inflation and Hawaii's higher cost of goods and services, and is comparable to the threshold levels in other states.

Accordingly, your Committee has amended this measure by:

- (1) Reducing the contract award value that triggers required proof of vendor compliance from \$6,000 to \$5,000;
- (2) Amending section 1 to reflect its amended purpose;
- (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.

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. 2308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2308, 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,



ANGUS L.K. MCKELVEY, Chair



