

STAND. COM. REP. NO.

3399

Honolulu, Hawaii

MAR 31 2026

RE: S.C.R. No. 74

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.C.R. No. 74 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF NO-BID CONTRACTS ISSUED BY STATE AND COUNTY AGENCIES UNDER PROCLAMATIONS DECLARING STATES OF EMERGENCY DURING THE SIX-YEAR PERIOD BETWEEN JANUARY 1, 2020, AND DECEMBER 31, 2025,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Auditor to conduct an audit of no-bid contracts issued by state and county agencies under proclamations declaring states of emergency during the six-year period between January 1, 2020, and December 31, 2025.

Your Committee received comments on this measure from the Department of Education.

Your Committee finds that section 127A-13, Hawaii Revised Statutes (HRS), authorizes the Governor or a Mayor, during declared states of emergency or local states of emergency, to suspend any law that impedes the expeditious and efficient execution of emergency functions. Your Committee further finds that many proclamations issued by the Governor during 2020 through 2025 suspended chapter 103D, HRS, the Hawaii Public Procurement Code. Even if the proclamations did not explicitly suspend chapter 103D, HRS, section 103D-307, HRS, allows heads of



purchasing agencies to obtain goods, services, or contracts essential to meet an emergency by means outside the Hawaii Procurement Code. Your Committee believes that the suspension of relevant provisions of the Hawaii Public Procurement Code during emergencies could allow for the proliferation of inconsistent no-bid contracts, leading to questionable public procurements like the City and County of Honolulu's contract with the National Kidney Foundation of Hawaii during the COVID-19 pandemic. The Auditor's assessment requested by this measure will assist the State in identifying potential reforms to emergency procurement law, thereby improving governmental accountability for the use of public funds.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 74 and recommends that it 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



