

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



BONNIE KAHAKUI
ADMINISTRATOR

DAYNA OMIYA
ASSISTANT ADMINISTRATOR

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
FINANCE
APRIL 8, 2026, 2:00 PM

SENATE BILL 2075, SD1, HD1
RELATING TO PUBLIC PROCUREMENT

Chair Todd, Vice Chair Takenouchi, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2075, SD1, HD1.

The State Procurement Office (SPO) appreciates that the House Draft 1 of this bill incorporates our recommendations by limiting the local preference to HRS Sections 103D-302, Competitive Sealed Bidding, and 103D-303, Competitive Sealed Proposals. The SPO also appreciates the application of a flat percentage of 5% for all qualifying bids and proposals under \$10 million, while applying no preference for bids and proposals over \$10 million.

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



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
WEDNESDAY, APRIL 8, 2026 AT 2:00 P.M.**

To The Honorable Representative Chris Todd, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

SUPPORT SB2075 SD1 HD1 RELATING TO PUBLIC PROCUREMENT

The Maui Chamber of Commerce supports SB2075 SD1 HD1 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, this 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.

We appreciate the opportunity to provide testimony in support of 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.

April 8, 2026

House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair

Wednesday, April 8, 2026, 2 p.m.
Conference Room 308 and via video conference



RE: SB 2075 SD1 HD1 Relating to Public Procurement

Dear Chair Todd, Vice Chair Takenouchi 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 SB 2075 SD1 HD1**, which requires purchasing agencies to apply a five percent evaluation preference for qualified Hawai'i bidders or offerors.

For many **small and mid-sized businesses in West O'ahu and across the state**, government contracting opportunities provide an important pathway for business growth, workforce development, and economic stability. However, local companies often compete against larger out-of-state firms that have significantly greater scale and resources. **Establishing a clearly defined local preference helps level the playing field while maintaining a competitive procurement process.**

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 larger public contracts. **By creating a structured local preference, SB 2075 helps level the playing field and provides Hawai'i-based businesses with a more meaningful opportunity to compete.**

When public contracts are awarded to Hawai'i companies, those dollars are far more likely to remain in our local economy through wages, subcontracting opportunities, and reinvestment in our communities. **This strengthens Hawai'i's tax base and supports long-term economic resilience.**

This measure represents an important step toward strengthening opportunities for Hawai'i businesses to compete for public contracts while maintaining fairness and accountability in the procurement process. Providing a clear and consistent local preference framework will help ensure that more public investment supports local jobs, businesses, and communities. For these reasons, the Kapolei Chamber of Commerce respectfully urges the Committee to pass SB 2075 SD1 HD1.

Mahalo for the opportunity to testify on this important measure.

Best,

Kiran Polk
Executive Director & CEO

**Testimony to the House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair**

**Wednesday, April 8, 2026, at 2:00PM
Conference Room 308 & Videoconference**

RE: SB2075 SD1 HD1 Relating to Public Procurement

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 2075 Senate Draft 1 House Draft 1 (SB2075 SD1 HD1), which requires purchasing agencies to apply a local preference in evaluating bids or proposals from qualified Hawai'i bidders or offerors who submit a timely preference certification. Establishes criteria for a bid or proposal to qualify for a local preference. Establishes requirements for the qualification and certification of Hawai'i bidders and offerors. Authorizes the false or misleading actions for the obtaining or retaining of a Hawai'i bidder or offeror preference to constitute cause for debarment. Allows the Procurement Policy Board to adopt rules.

SB2075 SD1 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Small Business. This pillar supports policies that help Hawaii's small businesses access economic opportunity and improve their competitiveness. Local businesses struggle to be cost competitive against outside business due to our high cost of doing business and geographic isolation. This bill promotes policies local business development by allowing them modest preference when evaluating bids. This provision promotes equity within the Hawaii's economic landscape, offering local businesses an advantage that is not otherwise afforded to them, due to the high-cost pressures resultant from Hawaii's economic context. The state stands as a powerful agent in Hawaii's economic landscape. Giving preference towards local businesses will help keep taxpayer dollars circulating in the state, creating more local wealth and improving workforce opportunities.

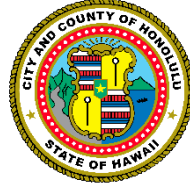
The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 2075 Senate Draft 1 House Draft 1. Thank you for the opportunity to testify.

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

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MAYOR
MEIA



AMY ASSELBAYE
EXECUTIVE DIRECTOR
PO'O HO'OKO

DEBORAH ZYSMAN
DEPUTY DIRECTOR
HOPE PO'O

April 8, 2026

The Honorable Chris Todd, Chair,
The Honorable Jenna Takenouchi, Vice-Chair
and Members of the Committee on Finance
Hawaii State House of Representatives
415 South Beretania Street, Room 308
Honolulu, Hawaii 96813

SUBJECT: Honolulu Office of Economic Revitalization Support for Senate Bill 2075 SD1
HD1 Relating to Public Procurement

Aloha Chair Todd, Vice-Chair Takenouchi, and members of the Committee:

The Office of Economic Revitalization offers testimony in **support of SB 2075 SD1 HD1** which would require state and county purchasing agencies to apply a local preference when evaluating bids or proposals from Hawai'i-based businesses.

We encourage the Committee to pass this measure un-amended. 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 increases revenues for local

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

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 SB 2075 SD1 HD1 in its current form**. This legislation represents sound, strategic economic policy that will benefit the State's economy and its people. Thank you for your consideration.

Should there be any questions, please contact the Office of Economic Revitalization's Deputy Director Deborah Zysman at (808) 768-3893 or via email at deborah.zysman@honolulu.gov.

Sincerely,

Amy Asselbaye
Executive Director



P.O. Box 253, Kunia, Hawai'i 96759
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e-mail info@hfbf.org; www.hfbf.org

April 8, 2026

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 2075, SD1, HD1
RELATING TO PUBLIC PROCUREMENT

Conference Room 308 & Videoconference
2:00 PM

Aloha Chair Todd, Vice-Chair Takenouchi, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports SB 2075, SD1, HD1, which strengthens the State's local preference framework by clarifying eligibility for Hawai'i businesses and establishing a tiered approach to applying local preference in state procurement. The bill also includes accountability provisions to ensure that businesses receiving a local preference continue to meet the required criteria.

HFB recognizes that agriculture already benefits from existing local preference provisions in the State Procurement Code, and we appreciate efforts to strengthen and modernize local procurement policies that support Hawai'i businesses and local economic activity.

From an agricultural perspective, SB 2075, SD1, HD1 may provide additional opportunities for value-added agricultural products and ag-based businesses that do not always fit neatly within existing procurement categories. These include locally processed foods made from Hawai'i-grown crops, value-added livestock products, floriculture and nursery products, and other goods derived from local agricultural production. Strengthening local preference policies can help keep more procurement dollars circulating within Hawai'i's agricultural value chain.

HFB also notes that many agricultural businesses operate as small enterprises, cooperatives, or processing operations that aggregate products from multiple farmers. Clear and workable local preference policies can improve access to state procurement opportunities for these businesses while supporting farmers and ranchers upstream.

As SB 2075, SD1, HD1 moves forward, HFB encourages the Legislature to ensure that existing agricultural preferences are preserved and that any changes to procurement policy remain practical, flexible, and administratively workable for both agencies and local producers.

Thank you for the opportunity to provide testimony.



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Executive Officers

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Eddie Asato, Pint Size Hawaii, *Advisor*
Gary Okimoto, Safeway, *Advisor*
Maile Miyashiro, C&S Wholesale, *Immediate Past Chair*

TO: Committee on Finance
FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: April 8, 2026
TIME: 2pm

RE: SB2075 SD1 HD1 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.

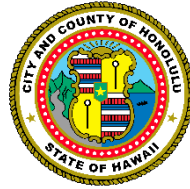
Supporting local manufacturing is a vital step to diversifying our economy and making our state stronger, more resilient, and more self-sufficient. Supporting local businesses strengthens the State's economy by creating more local jobs, increasing local workforce and business capacity, and enhancing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

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 HOUSE COMMITTEE ON FINANCE

April 6, 2026, 2:00 p.m.

SENATE BILL 2075, SD1 HD1

RELATING TO PUBLIC PROCUREMENT

The Economic Revitalization Commission (the “OER Commission”) of the City and County of Honolulu **strongly supports SB2075, SD1 HD1**. I am submitting this testimony on behalf of the OER Commission, as a Commissioner and Chair of the Permitted Action Groups that have explored the local procurement initiative for the past few years. I also personally participated in the research and drafting of the original SB2075.

SB2075, SD1 HD1 Would Boost Local Small Business

SB2075, SD1 HD1 would offer a meaningful discount for bidding purposes to Hawaii contractors, and would be a significant win for the Hawaii community. SB2075, SD1 HD1 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.

SB2075 SB1 HD1 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 Hawaii business in SB2075, SD1 HD1 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.

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 to the terms of the particular bid, they will not win the contract.

There is Abundant Precedent for Local Preferences

Cities across the nation have instituted various incentives and preferences to support awards to their local business of contracts in the bidding process. Local governments have large budgets, and their procurement and contracting policies can be important mechanisms for supporting the local economy, and advancing other public aims. Cities, counties, and states give a preference to local businesses in their procurement decisions as a means of supporting and growing their local economies:

At least 45 states, plus the District of Columbia, have procurement policies designed to give a preference to businesses that meet certain characteristics, such as those that are owned by veterans, pay certain wages, use environmentally sustainable practices, or manufacture within the state. Of these, about half have adopted an explicit preference for businesses that are small and/or local. These policies vary considerably. Some apply only in narrow circumstances; others are broader. In addition, more than thirty states have policies aimed at steering purchasing to minority- and women-owned businesses. Looking beyond state

governments, large numbers of counties, cities, and towns have procurement policies of their own.¹

Cities and States offer a variety of programs and incentives. There are broad incentives, and more narrow incentives, for example focusing on construction or other sectors. There are percentage preferences that allow a local company to win a bid even if it is not the lowest bidder, so long as it meets certain qualifications. The percentages vary, for example a local bidder can win if it is within as low as 5 percent, or as high as 15 percent, of the lowest bid.

Some cities and States have established certification programs as a way to create a database of companies that qualify for a preference. A 2016 survey by the National Association of State Purchasing Officials² found that, of respondents, 19 have in-state bidding preference laws that are mandatory, 4 have in-state preference laws are discretionary, 16 jurisdictions perform small business certification, and some States have “reciprocal laws” that require public contracting agencies, in determining the lowest responsible bidder, to add a percent increase to each out-of-state bidder’s bid price equal to the percent of preference given to local bidders in the bidder’s home state.

Giving preference to local suppliers, even if it means spending a little more, can actually benefit a city’s finances. When local governments spend their money with locally owned firms, those firms in turn rely on and generate local supply chains, creating an “economic multiplier” effect. Each additional dollar that circulates locally boosts local economic activity, employment, and, ultimately, tax revenue.

Numerous economic impact studies have quantified this effect. One of them, a 2009 study from California State University at Sacramento, found that the State of California generated approximately \$4.2 billion in additional economic activity and 26,000 new jobs between 2006 and 2007 by contracting with disabled veteran-owned businesses and local small businesses instead of larger companies.

Another study, from Civic Economics, looked at Arizona, and found that at a locally owned office supply company, 33.4 percent of revenue remained in the local economy, compared with just 11.6 percent at national company with a presence in the state. The study also looked at the potential impact of the City of Phoenix contracting with the local firm. It found that given a one-year, \$5 million contract for office supplies, with the local company, an additional \$1 million would stay in the area economy. With the national company, just \$580,000 of that \$5 million would recirculate locally.

Similarly, a study commissioned by Local First Arizona reported that a purchasing contract with an independent local supplier recirculates three times as much money in the local

¹ “Procurement Can Be a Powerful Tool for Local Economies, but Takes More Than a Policy Change to Work,” Institute for Local Self Reliance, April 2015. <https://ilsr.org/articles/procurement-more-than-a-policy-change/>

² Survey of State Procurement Practices (2016), https://cdn.naspo.org/R&I%20Content%20Library/Survey%20of%20State%20Procurement%20Practices/FINAL_2016_Survey_10-4-16.pdf.

economy as the same contract with a national firm.³

Cleveland offers an example of a government successfully supporting local business. In 2014, Cleveland drove 39 percent of its total \$147 million in contracting to businesses that are either local and small, or local and minority- or female-owned. That's up significantly from just four years earlier, when the city awarded 29 percent of its contract dollars to certified firms.⁴ New York is also cited as having successfully implemented local preferences.⁵

Los Angeles is another example, at the county level. Los Angeles adopted its local preference rules in 2011, when political leaders noticed that many large cities had local vendors who were charging 5 percent more than their competition based in neighboring states. Given the cost of rent, utilities and insurance in L.A., that was no surprise. But the city determined that it needed to create a level playing field for its hometown vendors. The number of contracts signed in the city through the local preference ordinances has varied from year to year, but between 2012 and 2016, about \$272 million worth of bids for city government work utilized local preference provisions.⁶

These preferences can withstand legal challenges, especially when the government agency is the market participant, purchasing goods and services for its own account. Local procurement policies have occasionally faced legal challenges, and courts have generally upheld them. This is especially true when the local government can show how the statutes will

³ "Favoring Local Businesses in Government Purchasing has Economic Benefits, Study Finds," February 5, 2008, Institute for Local Self Reliance. <https://ilsr.org/articles/favoring-local-businesses-government-purchasing-has-economic-benefits-study-finds/>

⁴ "Procurement Can Be a Powerful Tool for Local Economies, but Takes More Than a Policy Change to Work," Institute for Local Self Reliance, April 2015. <https://ilsr.org/articles/procurement-more-than-a-policy-change/>

⁵ As noted by ILSR:

When Bill de Blasio took office as New York City's mayor in 2014, his administration began to tackle a less-than-flashy issue: How to change who was winning city contracts.

De Blasio had swept the election with a campaign promise of reducing income inequality, and re-directing NYC's vast purchasing power was one of the wonky cornerstones of his plan to do it. So his administration started looking for ways to strengthen the city's Minority and Women-Owned Business Enterprise program, designed to help businesses owned by people of color and women bid on, and win, city contracts. It appointed committed staff, integrated the program into housing policies and Hurricane Sandy recovery projects, and launched new online tools for business owners.

The program became "a core part of the mayor's strategy on inequality," one of de Blasio's top aides said, and the administration identified it as a "top priority."

It worked. That year, New York City awarded \$690 million in contracts to businesses majority-owned by minorities or women, a 57 percent increase from the year before — though still only about 4 percent of the city's overall \$17.7 billion in spending. Since then, de Blasio's administration hasn't let up. It's commissioned an in-depth study of the program, sought changes to state laws that would strengthen it, and set a goal of increasing city awards to minority- and women-owned firms by \$16 billion over 10 years.

"Procurement Can Be a Powerful Tool for Local Economies, but Takes More Than a Policy Change to Work," Institute for Local Self Reliance, April 2015. <https://ilsr.org/articles/procurement-more-than-a-policy-change/>

⁶ "In Government Procurement, Buying Local Is Popular. But Is It Beneficial?," *Governing*, February 27, 2018. <https://www.governing.com/archive/gov-procurement-hometown-vendors-local-preference.html>

advance a legitimate local or state interest, such as expanding the local economy.

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.

Gregory R. Kim
Commissioner



TESTIMONY OF DAVE ERDMAN
INTERIM PRESIDENT & CEO
RETAIL MERCHANTS OF HAWAII

COMMITTEE ON FINANCE
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

Wednesday, April 8, 2026
2:00 p.m.

IN SUPPORT OF SB 2075, SD1, HD1 – RELATING TO PUBLIC PROCUREMENT

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Dave Erdman, and I serve as Interim President and CEO of the Retail Merchants of Hawai'i (RMH), a statewide nonprofit trade association representing retailers, shopping centers, restaurants located in retail environments, and allied businesses across the islands.

RMH supports SB 2075, SD1, HD1.

This measure would require purchasing agencies to apply a five percent local preference, for evaluation purposes only, to qualified Hawai'i bidders or offerors that submit a timely certification. RMH believes this is a practical and measured step that can help keep more public procurement dollars circulating within Hawai'i's economy while supporting local businesses, local jobs, and broader economic resilience.

Hawai'i businesses operate in a uniquely challenging environment shaped by geographic isolation, higher transportation costs, workforce constraints, and a higher overall cost of doing business. A modest local preference can help level the playing field when qualified local companies compete against out-of-state firms for government contracts.

RMH appreciates that the HD1 version is structured to support local businesses while also maintaining procurement integrity and fiscal discipline. In particular, the measure applies the preference only for evaluation purposes, caps the preference amount, limits it to contracts below the stated threshold, and makes clear that award is made at the original bid or contract price, not the reduced evaluated price. RMH also appreciates the bill's certification, verification, and enforcement provisions, including the requirement that bidders and offerors maintain qualification throughout contract performance.

We also believe the measure's emphasis on clear standards, accountability, and rulemaking by the Procurement Policy Board will help support consistent implementation. These guardrails are important to ensuring the preference is meaningful, transparent, and workable for both government and the local business community.

Supporting qualified Hawai'i businesses through procurement policy can strengthen local supply chains, expand business capacity, and create more opportunities for local employment and workforce development. At a time when many local businesses continue to face high operating costs and intense competition, this measure offers a reasonable way to reinforce in-state economic participation.

For these reasons, RMH respectfully urges the Committee to pass SB 2075, SD1, HD1.

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
Ed Schultz

Josh Wisch
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Page 1 of 1

Committee: House Committee on Finance
Bill Number: SB 2075 HD1, Relating to Public Procurement
Hearing Date and Time: April 8, 2026, at 2:00pm, Room 308
Re: Testimony of Holomua Collaborative- Support

Aloha Chair Todd, Vice Chair Takenouchi, and Committee Members:

We write in support of Senate Bill 2075 HD1, Relating to Public Procurement. The purpose of SB 2075 HD1 is to help local businesses thrive by enabling them to compete for government procurement contracts.

Holomua supports initiatives that help keep all local working families in Hawai'i by addressing affordability challenges. For Hawai'i to be affordable for local working families, we need to ensure that our local business community has the opportunities 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 isolated state with a limited local workforce and fewer options to offer competitive prices for goods and services disadvantage our local businesses when competing for State and County contracts. Providing procurement preferences for Hawai'i businesses will help stimulate our economy and lift our workforce.

We ask that you support SB 2075 HD1.

Sincerely,

Matthew Prellberg
Policy and Communications Director

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



Statement of
Meli James and Brittany Heyd
Cofounders
Mana Up

SB2075 HD1, Relating to Public Procurement

Aloha Chair Todd, Vice Chair Takenouchi, and Committee Members,

We support SB2075 HD1, which requires government purchasers to apply a local preference for Hawai'i businesses bidding for public procurement.

Mana Up is a statewide initiative that helps entrepreneurs in Hawai'i access the resources and tools they need to grow their businesses and scale globally. As these entrepreneurs continue to grow, they also help expand our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai'i.

For a Hawaii-based company to "scale globally," it first needs a stable foundation at home. One of the largest and most reliable "anchor clients" can be the State and Counties. By establishing a tiered procurement preference, SB2075 HD1 allows our local entrepreneurs to compete for the very contracts that provide the capital and experience necessary to eventually export Hawaii's innovation to the world.

We live in a time of economic uncertainty and a cost of living so high that many local working families are moving away from Hawai'i. If we continue to let out-of-state entities undercut our local innovators by thin margins, we are essentially exporting our economic potential. SB2075 HD1 is an investment in our 'ohana who are currently looking for a reason to stay. Let's give them—and our local entrepreneurs—the opportunity to build that future here.

We ask that you support SB2075 HD1.

Sincerely,

Meli James | Cofounder, Mana Up
Brittany Heyd | Cofounder, Mana Up



Testimony in Support of SB2075 HD1, Relating to Public Procurement

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

aio respectfully submits testimony in strong support of Senate Bill 2075 HD1, Relating to Public Procurement. SB2075 HD1 advances economic development by leveraging State purchasing power to support Hawai'i-based businesses and local employment.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawai'i is at our core, and through our products and services, we work hard to make Hawai'i a better place for future generations.

By prioritizing local businesses in State procurement, SB2075 HD1 helps ensure that public dollars remain in Hawai'i through local jobs, supplier relationships, and reinvestment in the community. This approach strengthens in-state capacity, supports workforce stability, and promotes long-term economic resilience. We urge the Committee to pass SB2075 HD1 and align procurement policy with Hawai'i's economic and community priorities.

Mahalo for the opportunity to submit testimony.

A handwritten signature in black ink that reads "Brandon H. Kurisu".

Brandon Kurisu
aio Family of Companies





BUILDBETTER.LIVEBETTER.®

April 8, 2026

Committee: House Committee on Finance
Bill Number: SB2075 HD1, Relating to Public Procurement
Hearing Date and Time: April 8, 2026, 2:00pm
Re: Testimony of HPM Building Supply in Support

Dear Chair Todd, Vice Chair Takenouchi, and Committee Members:

HPM Building Supply submits this testimony in strong support of Senate Bill 2075 HD1, Relating to Public Procurement. SB2075 HD1 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 a range of 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 SB2075 HD1 and advance policies that strengthen Hawai'i's economy from the ground up.

Sincerely,

Jason Fujimoto
Chairman & CEO



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HPMHAWAII.COM





TITLE GUARANTY
HAWAII

April 8, 2026

Testimony in support of SB2075 HD1, Relating to Public Procurement

Aloha Chair Todd, Vice Chair Takenouchi, and Committee Members,

Title Guaranty of Hawai'i respectfully submits testimony in strong support of Senate Bill 2075 HD1, Relating to Public Procurement. SB2075 HD1 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.

SB2075 HD1 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 SB2075 HD1 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



SB-2075-HD-1

Submitted on: 4/6/2026 3:31:34 PM

Testimony for FIN on 4/8/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2075 SB RELATING TO PUBLIC PROCUREMENT.

SB-2075-HD-1

Submitted on: 4/6/2026 5:14:55 PM

Testimony for FIN on 4/8/2026 2:00:00 PM

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

Comments:

STRONG SUPPORT!!! GREAT WAY TO HELP LOCAL BUSINESSES! MAHALO!

SB-2075-HD-1

Submitted on: 4/6/2026 7:39:40 PM

Testimony for FIN on 4/8/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kendrick Farm	Individual	Support	Written Testimony Only

Comments:

I strongly support this measure.