

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 SENATE COMMITTEE
ON
GOVERNMENT OPERATIONS
February 5, 2026, 3:01 PM

SENATE BILL 2928
RELATING TO PROCUREMENT

Chair McKelvey, Vice Chair Gabbard, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2928. The State Procurement Office (SPO) strongly supports this bill, which permanently establishes the Small Business Procurement Program and small business procurement coordinator position within the SPO.

Hawaii's small businesses are a critical driver of the State's economy, yet historically they have faced structural barriers to participating effectively in public procurement. While prior legislative efforts sought to address this issue, many of those initiatives were temporary, under-resourced, or lacked the staffing and data necessary for effective implementation. As a result, earlier programs did not achieve sustained improvements in small business participation in state contracting.

Act 168, Session Laws of Hawaii 2022, marked a significant turning point by establishing a five-year small business assistance initiative within the SPO. Since its implementation and hiring of the Small Business Procurement Coordinator in 2025, the initiative has delivered the following:

1. Established and expanded a statewide small business database to track participation, including:
 - Increasing the small business vendor registration by 42%.
 - Tracking small business awards data: \$5.7M in contract dollars awarded to registered small businesses in FY2025, and \$3.2M in FY2026 to date.
2. Developed a centralized small business resource website with a monthly newsletter.
3. Conducted statewide surveys of small businesses and procurement personnel, which revealed:
 - A strong desire from both small businesses and procurement staff to address the complexity, ambiguity, and information gaps preventing success in state contracting; and

- A need to reduce barriers through education and simplification of the procurement process.
- 4. Participated in 14 outreach events, collaborating with other state and county agencies, and small business programs in other states.
- 5. Developed draft administrative rules to support Hawai'i Revised Statutes (HRS) chapter 103D Part IX, Assistance to Small Businesses.

These efforts have improved both vendor readiness and procurement staff awareness and generated the data necessary to inform policy development and administrative rulemaking. Senate Bill 2928 builds upon this progress by transitioning the temporary initiative into a permanent program to support small businesses in state procurement. Permanently establishing the Small Business Procurement Program ensures continuity, preserves institutional knowledge, and allows the state to fully realize the benefits of its initial investment under Act 168, SLH 2022. Without this measure, Hawai'i risks losing momentum, data infrastructure, and the capacity to address long-standing participation gaps in a meaningful and sustainable way.

Impacts and Implementation Considerations

This bill formalizes existing operations rather than creating a new or duplicative program. By placing the Small Business Procurement Program within Part IX of Chapter 103D, HRS, the measure provides clear statutory authority for ongoing data collection, outreach, policy development, and coordination with state agencies.

The fiscal impact is limited and clearly defined. The bill requests the continued appropriation of funds for one permanent full-time equivalent (1.0 FTE) Small Business Procurement Coordinator position within the SPO. This position is already functionally in place under the current initiative.

In the long term, the program is expected to continue increasing small business participation in state contracts, improving competition, strengthening local supply chains, and ensuring that public procurement dollars circulate within Hawai'i's economy. Any ongoing costs associated with the program are modest when weighed against these economic and operational benefits.

This bill strengthens oversight, accountability, and transparency by requiring data-driven reporting and program evaluation and enables the development of effective administrative rules grounded in data. This measure also advances the Legislature's long-standing intent to assist small businesses, including veteran-owned, Native Hawaiian-owned, and women-owned businesses, by providing tools, guidance, and fair access to state procurement opportunities.

Thank you for the opportunity to submit testimony on this important initiative.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.
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SYLVIA LUKE
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Statement of
James Kunane Tokioka
Director
Department of Business, Economic Development, and Tourism
before the
**SENATE COMMITTEE ON
GOVERNMENT OPERATIONS**

Thursday, February 5, 2026
3:01 PM
State Capitol, Conference Room 225

In consideration of
SB2928
RELATING TO PROCUREMENT.

Chair McKelvey, Vice Chair Gabbard and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports **SB2928** which would appropriate funds and establish the Small Business Procurement Program within the State Procurement Office.

This measure ensures that small businesses, including businesses owned by veterans, Native Hawaiians, and women, can effectively participate in small business contracting opportunities in the State. It also allows for the permanent appointment of a Small Business Procurement Coordinator for the proper administration, enforcement, and facilitation of the program.

DBEDT agrees that small businesses are the lifeblood of the State's economy. Establishing a permanent procurement program and developing an effective small business state contracting program within the state procurement process will help promote the growth, diversification and development of small businesses in Hawai'i.

Thank you for the opportunity to testify.



Testimony on SB2928 RELATING TO PROCUREMENT.

DATE: 02/05/2026

ROOM: 225

COMMITTEE: GVO

Dear Chair McKelvey, Vice Chair Gabbard and members of the committee,

Support

My name is Seiichi Nagai. I am the CEO of CivicNexus, a Hawaii-based small business. I am submitting testimony on behalf of CivicNexus in support of SB2928, which would make permanent the Small Business Procurement Program and the Small Business Procurement Coordinator within the State Procurement Office.

For a small business, state procurement involves a meaningful learning curve around registrations, certifications, compliance steps, and contract requirements. In my experience, the Small Business Procurement Coordinator played a valuable role in helping me understand and complete those requirements, and in navigating the procurement and contracting process.

In particular, the Coordinator provided two main types of support:

Guidance on registrations, certifications, and compliance steps.

The Coordinator walked me through the multiple state systems and websites a small business must use to register, pursue certifications, and understand compliance requirements, and helped clarify how bidding-related steps fit into the broader process. This reduced confusion and helped ensure I completed the right steps in the right order.

Facilitating early introductions for practical, stakeholder-level feedback.

The Coordinator connected me with relevant State Procurement Office staff early on so I could share what our platform does and receive candid feedback from real government users about applicability and practical needs. That kind of early, real-world input is difficult for small businesses to obtain without help, and it materially improved how I approached building for and working with government.

SB2928 would help ensure this kind of hands-on support remains available to Hawai'i's small businesses and continues to improve small business participation in state contracting.

Sincerely,
Seiichi Nagai
CEO, CivicNexus

February 5, 2026

Senate Committee on Government Operations
Senator Angus L.K. McKelvey, Chair
Senator Mike Gabbard, Vice Chair

Thursday, February 5, 2026, 3:00 p.m.
Conference Room #225 and via video conference



RE: SB 2928 Relating to Procurement

Dear Chair McKelvey, Vice Chair Gabbard 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 2928**, which establishes the Small Business Procurement Program and Small Business Procurement Coordinator position **permanently** in the State Procurement Office. Repeals the Small Business Assistance Initiative established in Act 168, Session Laws of Hawai'i 2022.

The Kapolei Chamber of Commerce has had the opportunity to participate in small business resource and outreach events in partnership with the Small Business Procurement Coordinator and the Small Business Assistance Initiative. We have seen firsthand how impactful this program is for small businesses seeking to enter or expand their participation in state procurement opportunities.

At these events, business owners receive practical, accessible guidance on business registration, certifications, locating bidding opportunities, and navigating state procurement processes. Just as importantly, these sessions provide direct access to knowledgeable staff, allowing business owners to ask questions, build relationships, and gain confidence in a system that can often feel complex and intimidating. For many participants, these workshops represent their first meaningful introduction to government contracting.

Businesses consistently leave these sessions better informed, more prepared, and more motivated to pursue public-sector opportunities. This targeted support helps move businesses from interest to action and from potential to performance. Without this kind of hands-on assistance, many small businesses, particularly those new to government contracting, would remain on the sidelines.

SB 2928 is critical to sustaining and expanding this progress. The Small Business Assistance Initiative has established strong partnerships with chambers of commerce, business associations, and community organizations, enabling outreach and training to reach businesses where they are—within their local communities and trusted networks. Making this program permanent ensures continuity, strengthens these partnerships, and avoids disruption caused by funding uncertainty or program sunsets.

From an economic development perspective, SB 2928 strengthens Hawai'i's local business ecosystem. When more local businesses are equipped to compete for state contracts, competition increases, project outcomes improve, and public dollars are more likely to remain in the local economy. This creates broader benefits that extend beyond individual businesses to support workforce stability and community growth.

The Kapolei Chamber of Commerce works closely with small businesses across West O'ahu, and we have seen the positive impact this initiative has had on their readiness and confidence. Allowing this program to expire would represent a step backward in our shared efforts to support small businesses and strengthen Hawai'i's economy.

For these reasons, the Kapolei Chamber of Commerce **strongly supports SB 2075** and respectfully urges the Committee to pass this measure.

Thank you for this opportunity to provide testimony.

Best,

Kiran Polk
Executive Director & CEO

TESTIMONY IN STRONG SUPPORT OF SB2928

Relating to Procurement

Senate Committee on Government Operations

Thursday, February 5, 2026, 3:00 PM

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

My name is Lance Roylo, and I am a small business owner here in Hawai'i. I own and operate Hello Momentum, a marketing and consulting company. I am submitting this testimony in strong support of SB2928.

Like many small business owners, I started with limited resources, a lot of determination, and a deep commitment to serving my community. Running a business means constantly balancing payroll, overhead, marketing, and client delivery. Every decision matters, and every opportunity can make the difference between surviving and thriving.

Several years ago, during the COVID-19 pandemic, Hello Momentum was awarded a state contract. That opportunity changed everything.

That contract provided consistent revenue, stability, and credibility at a time when private-sector work had largely dried up. It allowed me to keep my business running, retain talent, and continue serving clients when many other small firms were closing their doors. It gave me the foundation I needed to build something lasting.

Accessing that opportunity was not easy. Learning how to register, bid, comply with requirements, and compete against much larger firms was overwhelming. Without guidance and support, many small business owners simply give up before they even submit a proposal. I was fortunate to find help along the way, but many others are not.

That is why the Small Business Procurement Program through SB2928 is so important. This program helps entrepreneurs understand the system, respond competitively to solicitations, and build confidence. It gives small businesses a fair chance to participate instead of being shut out by complexity. It creates pathways for local talent to grow through state contracting.

I see this impact not only in my own experience, but in the stories of other business owners I meet through my professional networks. Many of them have the skills and passion to serve the State, but they lack access to information and technical support. This program bridges that gap.

Making this initiative permanent matters. Small businesses need stability. We plan years ahead. We invest cautiously. We grow slowly and responsibly. When support programs come and go, it becomes harder to rely on them as part of our development strategy. SB2928 ensures that the progress made under the initiative is not lost and that future entrepreneurs will have the same opportunities I was fortunate to find.

When local businesses succeed, our communities succeed. We hire neighbors. We support local suppliers. We keep money circulating here in Hawai'i. State contracts are not just transactions—they are investments in local families and local futures. SB2928 strengthens that investment.

As someone whose business was sustained and strengthened by a state contract during one of the most challenging economic periods in recent memory, I can say with confidence that this program is critical. It creates real opportunities with real outcomes.

For these reasons, I stand in strong support of SB2928. Mahalo for the opportunity to testify.

Warmly,

Lance Roylo

Owner, Hello Momentum

555 South Street #4003

Honolulu, HI 96813



Statement of
Derek J. Sakaguchi
Chairman & President
Native Hawaiian Community Development Corporation
before the
Senate Committee on Government Operations

Thursday, February 5, 2026
3:01 PM
State Capitol, Conference Room 225 & Videoconference

In strong support of
SB 2928
RELATING TO PROCUREMENT

Aloha Chair McKelvey, Vice Chair Gabbard, and Members of the Committee:

My name is Derek Sakaguchi, Chairman of the Native Hawaiian Community Development Corporation, and I strongly support SB2928, which permanently establishes the Small Business Procurement Program and Small Business Procurement Coordinator position within the State Procurement Office.

Through my work with Native Hawaiian entrepreneurs and family-owned businesses, I have seen firsthand both the talent that exists in our communities and the systemic barriers that have limited their access to government contracting opportunities. Many of these businesses have the skills, capacity, and desire to work with the State, yet they are often excluded simply because they lack access to information, guidance, and institutional support.

For too long, state procurement has been difficult to navigate for small, locally owned businesses. Complex rules, unfamiliar processes, limited outreach, and inconsistent assistance have made it challenging for many entrepreneurs to even know where to begin. As a result, too many capable Native Hawaiian-owned businesses have been left out of opportunities that could help them grow, hire locally, and reinvest in their communities.

The Small Business Procurement Program will help to change this reality. For the first time, many Native Hawaiian-owned businesses will have access to centralized resources, training workshops, direct outreach, and personalized guidance on how to compete for state contracts. The creation of a statewide database, educational materials, and a dedicated coordinator has made the state procurement system more transparent and



more accessible. These efforts have and will continue to help demystify the process and build confidence among business owners who previously felt excluded.

However, this progress is fragile. Because the current initiative is temporary, many business owners remain uncertain about whether this support will continue. Without permanence, relationships are disrupted, institutional knowledge is lost, and trust within the community is weakened. SB2928 addresses this concern by making the program permanent and ensuring that the State's commitment to small businesses—especially those owned by Native Hawaiians—is not subject to expiration. This program is especially critical now, as uncertainty surrounding federal small business programs has created additional challenges for local entrepreneurs seeking stable and reliable opportunities.

Continuity matters. Building capacity within Native Hawaiian-owned businesses does not happen overnight. It requires consistent outreach, long-term mentoring, reliable data collection, and sustained engagement. This bill recognizes that reality. By permanently establishing the Small Business Procurement Program, the Legislature affirms that supporting small businesses, especially Native Hawaiian entrepreneurs, is not a short-term project, but a long-term investment in Hawai'i's future.

When Native Hawaiian-owned businesses can access state and local contracts, the benefits extend far beyond individual companies. These businesses hire locally, support 'ohana, preserve cultural values, and strengthen the economic resilience of our islands. I've experienced through my work that government contracting can be a powerful tool for economic self-determination, but only if access is fair and meaningful.

SB2928 moves Hawai'i closer to that goal. This measure ensures that the data, relationships, and systems built under Act 168 will not be lost. It provides accountability through reporting and oversight. It institutionalizes outreach and advocacy within the procurement system. Most importantly, it sends a clear message to local and Native Hawaiian small businesses that the State is committed to their success.

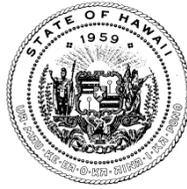
For these reasons, I strongly urge the committee to pass SB2928.

Mahalo nui for the opportunity to testify in strong support of this important measure.

Respectfully submitted,

Derek J. Sakaguchi
Chairman & President

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
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LATE

Thursday, February 5, 2026
3:01 PM
State Capitol, 225

SB2928
RELATING TO PROCUREMENT

Senate Committee on Government Operations

The Department of Transportation (DOT) supports Senate Bill 2928, which establishes the Small Business Procurement Program and Small Business Procurement Coordinator position permanently in the State Procurement Office.

This bill aims to strengthen and formalize the state's commitment to assisting small businesses, including those owned by veterans, Native Hawaiians, and women, in participating in state contracting opportunities. By establishing a dedicated program and coordinator position, the bill enhances the state's ability to provide targeted support and resources to small businesses seeking to engage in government procurement processes.

The DOT recognizes the importance of fostering a diverse and inclusive procurement landscape that allows small businesses to compete effectively for state contracts. This initiative aligns with the department's goals of promoting economic growth, supporting local businesses, and ensuring a fair and competitive procurement environment.

The DOT believes that this program will contribute to a more robust and diverse base for state contracts, potentially leading to increased innovation, cost-effectiveness, and local economic development.

Thank you for the opportunity to testify in support of this bill.

LATE

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

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DEBORAH ZYSMAN
DEPUTY DIRECTOR
HOPE PO'O

February 5, 2026

The Honorable Angus L.K. McKelvey, Chair
The Honorable Mike Gabbard, Vice-Chair
and Members of the Committee on Economic Development and Technology
State of Hawai'i Senate
415 South Beretania Street, Room 225
Honolulu, Hawai'i 96813

SUBJECT: Honolulu Office of Economic Revitalization Support for Senate Bill 2928
Relating to Public Procurement

Aloha Chair McKelvey, Vice-Chair Gabbard, and Committee Members:

The Office of Economic Revitalization (OER) offers this testimony in **support of SB 2928**, which permanently establishes the small business procurement program and small business procurement coordinator position within the State Procurement Office.

Small businesses play an essential role in Hawai'i's economic vitality, but many have historically been excluded from meaningful participation in public contracting. Previous attempts to address these gaps lacked permanence, sufficient capacity, or reliable data, limiting their long-term effectiveness. Expanding access to public procurement remains one of the most practical tools for strengthening economic resilience and supporting local enterprises.

The establishment of the Small Business Assistance Initiative under Act 168 (SLH 2022) created a more durable and data-informed approach within the State Procurement Office. The initiative has already produced tangible results, including improved small business registration and visibility, centralized access to resources, statewide vendor and procurement staff feedback, and expanded outreach and training.

We encourage you to make the small business procurement program and small business procurement position permanent.

The Honorable Angus L.K. McKelvey, Chair
The Honorable Mike Gabbard, Vice-Chair
and Members of the Committee on Economic Development and Technology
February 5, 2026
Page 2

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



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225
THURSDAY, FEBRUARY 5, 2026 AT 3:01 P.M.**

To The Honorable Senator Angus L.K. McKelvey, Chair
The Honorable Senator Mike Gabbard, Vice Chair
Members of the Committee on Government Operations

SUPPORT SB2928 RELATING TO PROCUREMENT

As an organization representing the interests of Hawai'i's business community, with a particular focus on small businesses, we recognize the importance of equitable access to state procurement opportunities. The Maui Chamber of Commerce supports SB2928, as it proposes to establish the Small Business Procurement Program and a dedicated coordinator within the State Procurement Office, aiming to address long-standing barriers that small businesses face in competing for government contracts.

Small businesses are vital contributors to Hawai'i's economy, yet they often lack the resources, technical expertise, or institutional knowledge to navigate complex procurement processes. By permanently creating a Small Business Procurement Coordinator, this bill offers a dedicated advocate to help level the playing field, streamline communication, and provide targeted support.

Appropriating funds for this initiative demonstrates a commitment to investing in Hawai'i's business ecosystem, which is especially important as many small firms continue to recover from recent economic disruptions.

We respectfully recommend that the implementation of the new program prioritize outreach to ensure all eligible small businesses are aware of and able to access these services.

Additionally, we encourage ongoing consultation with business stakeholders to refine program design and ensure that administrative requirements remain manageable for smaller firms. These steps will help maximize the bill's positive impact and ensure that procurement opportunities truly become more accessible and inclusive.

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.