
A BILL FOR AN ACT

RELATING TO THE PROCUREMENT CODE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 103D-1001, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Hawaii agricultural products" means any floricultural,
5 horticultural, viticultural, forestry, nut, coffee, dairy,
6 livestock, poultry, bee, farm or plantation products, and fish
7 and aquacultural commodities raised or grown in Hawaii."

8 SECTION 2. Section 103D-1002, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§103D-1002 Hawaii products.** (a) A purchasing agency
11 shall review all specifications in a bid or proposal for
12 purchase from the Hawaii products list where these products are
13 available; provided that the products:

14 (1) Meet the minimum specifications and the selling price
15 f.o.b. jobsite;



- 1 (2) Unloaded including applicable general excise tax and
2 use tax does not exceed the lowest delivered price in
3 Hawaii f.o.b. jobsite; and
- 4 (3) Unloaded, including applicable general excise tax and
5 use tax, does not exceed the lowest delivered price of
6 a similar non-Hawaii product by more than:
- 7 (A) Three per cent where class I Hawaii products are
8 involved;
- 9 (B) Five per cent where class II Hawaii products are
10 involved; or
- 11 (C) Ten per cent where class III Hawaii products are
12 involved.
- 13 (b) All invitations for bids and requests for proposals
14 shall include a description of the products that are listed in
15 the Hawaii products list established pursuant to this section,
16 and their established classes, which may be used to complete the
17 scope of work specified in the invitation for bids or request
18 for proposals, where the products are available and meet the
19 minimum specifications.
- 20 (c) All persons submitting bids or proposals to claim a
21 Hawaii products preference shall designate in their bids which



1 individual product and its price is to be supplied as a Hawaii
2 product.

3 (d) Where a bid or proposal contains both Hawaii and non-
4 Hawaii products, then for the purpose of selecting the lowest
5 bid or purchase price only, the price bid or offered for a
6 Hawaii product item shall be decreased by subtracting therefrom:
7 three per cent, five per cent, or ten per cent for the class I,
8 class II, or class III Hawaii product items bid or offered,
9 respectively. The lowest total bid or proposal, taking the
10 preference into consideration, shall be awarded the contract
11 unless the bid or offer provides for additional award criteria.
12 The contract amount of any contract awarded, however, shall be
13 the amount of the bid or price offered, exclusive of the
14 preferences.

15 (e) Upon receipt and approval of application for Hawaii
16 products preference, the administrator shall include within the
17 Hawaii products list, the names of producers and manufacturers
18 in the State who are authorized to supply locally manufactured
19 soil enhancement products to state agencies under subsection.

20 (h). The administrator of the state procurement office shall
21 maintain and distribute copies of the list to the purchasing
22 agencies of the various governmental agencies.



1 (f) This section shall not apply whenever its application
2 will disqualify any governmental agency from receiving federal
3 funds or aid.

4 (g) Any purchase made or any contract awarded or executed
5 in violation of this section shall be void and no payment shall
6 be made by any purchasing agency on account of the purchase or
7 contract.

8 (h) For the purposes of this section, "soil enhancement
9 product" means any nonchemical soil preparation, conditioner, or
10 compost mixture designed to supplement aeration or add organic,
11 green waste, or decaying matter to the soil; provided that the
12 term does not include any plant fertilizer intended to stimulate
13 or induce plant growth through chemical means. All state
14 agencies shall include in their solicitations, when required,
15 the soil enhancement products identified on the Hawaii products
16 list pursuant to subsection (e).

17 (i) To encourage the purchase and use of Hawaii
18 agricultural products in the food operations of state
19 correctional facilities and state hospitals and healthcare
20 facilities, the department of agriculture, with the assistance
21 of the state procurement office, shall develop a Hawaii
22 agricultural product program to require state purchasing agents



1 of food operations at state correctional facilities and state
2 hospitals and healthcare facilities to:

3 (1) Apply a preference to the purchase of agricultural
4 products raised or grown in Hawaii; and

5 (2) Set goals to increase in increments the purchase of
6 Hawaii agricultural products from ten per cent per
7 year to a maximum of fifty per cent per year of the
8 total agricultural produce requirements of the state
9 correctional or healthcare facility food operations."

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Procurement Code; Agricultural Products

Description:

Amends the procurement code to establish a preference for the purchase of agricultural products raised or grown in Hawaii.
(SD1)

