
A BILL FOR AN ACT

RELATING TO THE PROCUREMENT CODE.

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

1 SECTION 1. Chapter 103D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§103D- Hawaii agricultural products. (a) To encourage
5 the purchase and use of Hawaii agricultural products in the food
6 operations of state correctional facilities and state hospitals
7 and healthcare facilities, contracts shall be awarded to the
8 lowest responsible and responsive bidders, with preference given
9 to the agricultural products raised or grown in Hawaii.

10 (b) The policy board shall adopt rules in accordance with
11 chapter 91 governing preference for Hawaii agricultural
12 products. The rules shall establish percentages of preference
13 and the method of determining the qualifications of various
14 agricultural products for preference.

15 (c) The state procurement office, with the assistance of
16 the department of agriculture, shall develop a Hawaii
17 agricultural product program that shall require the state



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

3 (1) Apply a preference to the purchase of agricultural
4 products that are raised or grown in Hawaii before
5 purchasing agricultural products that are not raised
6 or grown in Hawaii; and

7 (2) Set goals to increase in increments the purchase of
8 Hawaii agricultural products from ten per cent per
9 year to a maximum of fifty per cent per year.

10 (d) The chief procurement officers shall periodically
11 review their specifications to determine whether discrimination
12 against procured Hawaii agricultural products exists and shall
13 revise these specifications to eliminate any discrimination.

14 (e) This section shall not apply whenever its application
15 will disqualify an agency from receiving federal funds or aid.

16 (f) For purposes of this section, "Hawaii agricultural
17 products" means any floricultural, horticultural, viticultural,
18 forestry, nut, coffee, dairy, livestock, poultry, bee, farm or
19 plantation products, and fish and aquacultural commodities
20 raised or grown in Hawaii."



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

3 "**§103D-1002 Hawaii products.** (a) A purchasing agency
4 shall review all specifications in a bid or proposal for
5 purchase from the Hawaii products list where these products are
6 available; provided that the products:

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

9 (2) Unloaded including applicable general excise tax and
10 use tax does not exceed the lowest delivered price in
11 Hawaii f.o.b. jobsite; and

12 (3) Unloaded, including applicable general excise tax and
13 use tax, does not exceed the lowest delivered price of
14 a similar non-Hawaii product by more than:

15 (A) Three per cent where class I Hawaii products are
16 involved;

17 (B) Five per cent where class II Hawaii products are
18 involved; or

19 (C) Ten per cent where class III Hawaii products are
20 involved.

21 (b) All invitations for bids and requests for proposals
22 shall include a description of the products that are listed in



1 the Hawaii products list established pursuant to this section,
2 and their established classes, which may be used to complete the
3 scope of work specified in the invitation for bids or request
4 for proposals, where the products are available and meet the
5 minimum specifications.

6 (c) All persons submitting bids or proposals to claim a
7 Hawaii products preference shall designate in their bids which
8 individual product and its price is to be supplied as a Hawaii
9 product.

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



1 (e) Upon receipt and approval of application for Hawaii
2 products preference, the administrator shall include within the
3 Hawaii products list, the names of producers and manufacturers
4 in the State who are authorized to supply locally manufactured
5 soil enhancement products to state agencies under subsection
6 (h). The administrator of the state procurement office shall
7 maintain and distribute copies of the list to the purchasing
8 agencies of the various governmental agencies.

9 (f) This section shall not apply whenever its application
10 will disqualify any governmental agency from receiving federal
11 funds or aid.

12 (g) Any purchase made or any contract awarded or executed
13 in violation of this section shall be void and no payment shall
14 be made by any purchasing agency on account of the purchase or
15 contract.

16 (h) For the purposes of this section, "soil enhancement
17 product" means any nonchemical soil preparation, conditioner, or
18 compost mixture designed to supplement aeration or add organic,
19 green waste, or decaying matter to the soil; provided that the
20 term does not include any plant fertilizer intended to stimulate
21 or induce plant growth through chemical means. All state
22 agencies shall include in their solicitations, when required,



1 the soil enhancement products identified on the Hawaii products
2 list pursuant to subsection (e).

3 (i) To encourage the purchase and use of Hawaii grown
4 flowers, the department of agriculture, with the assistance of
5 the state procurement office, shall develop a Hawaii
6 floriculture product program."

7 SECTION 3. New statutory material is underscored.

8 SECTION 4. This Act shall take effect on July 1, 2050.



REPORT Title:

Hawaii Flowers; Hawaii Agricultural Products; Preference;
Procurement Code

Description:

Amends the procurement code to establish a preference for
agricultural products raised or grown in Hawaii and the purchase
of flowers grown in Hawaii. (SD2)

