
A BILL FOR AN ACT

RELATING TO THE HAWAII PUBLIC 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 to part X a new section to be appropriately
3 designed and to read as follows:

4 "§103D- Preference for recycled oil products. (a)
5 Notwithstanding any law to the contrary, any procurement officer
6 who purchases lubricating oil and industrial oil may purchase
7 the oil from the seller who certifies the oil product containing
8 the greatest percentage of recycled oil. The procurement
9 officer may purchase an oil product containing a lower
10 percentage of recycled oil if the specific oil product
11 containing the greatest percentage of recycled oil is:

- 12 (1) Not available within a reasonable period of time or in
13 quantities necessary to meet the agency's needs;
14 (2) Not able to meet the performance requirements or
15 standards recommended by the equipment or vehicle
16 manufacturer, including any warranty requirements;

1 (3) Available only at a cost greater than the cost of
2 comparable virgin oil products; or

3 (4) Likely to breach an existing warranty that requires
4 the purchase of virgin oil products for exclusive use
5 in vehicles or equipment whose warranties expressly
6 prohibit the use of products containing recycled oil.

7 (b) Each chief procurement officer may establish and
8 maintain an affirmative program for procuring oils containing
9 the maximum content of recycled oil. An affirmative program
10 shall include:

11 (1) Placement of descriptions of the preference for
12 recycled oil products in publications used to solicit
13 bids from suppliers or vendors;

14 (2) Descriptions of the recycled oil procurement program
15 at bidders' conferences;

16 (3) Discussion of the preference program in lubricating
17 oil and industrial oil procurement solicitations,
18 invitations for bids, requests for proposals, or other
19 solicitations for offers under this chapter; and

20 (4) Efforts to inform trade associations about the
21 preference program."

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

4 "Biodiesel" means a vegetable oil-based fuel that meets
5 ASTM International standard D6751, "Standard Specification for
6 Biodiesel Fuel (B100) Blend Stock for Distillate Fuels", as
7 amended.

8 "Biofuel" means fuel from non-petroleum plant or animal
9 based sources that can be used for the generation of heat or
10 power.

11 "Industrial oil" means any compressor, turbine, or bearing
12 oil, hydraulic oil, metal working oil, or refrigeration oil.

13 "Lubricating oil" means any oil intended for use in an
14 internal combustion crankcase, transmission, gearbox, or
15 differential, or an automobile, bus, truck, vessel, plane,
16 train, heavy equipment, or machinery powered by an internal
17 combustion engine.

18 "Recycled oil" means used oil that has been prepared for
19 reuse as a petroleum product by refining, reclaiming,
20 reprocessing, or other means; provided that the preparation or
21 use is operationally safe, environmentally sound, and complies
22 with all laws, rules, and regulations.

1 "Soil enhancement product" means any nonchemical soil
2 preparation, conditioner, or compost mixture designed to
3 supplement aeration or add organic, green waste, or decaying
4 matter to the soil; provided that the term does not include any
5 plant fertilizer intended to stimulate or induce plant growth
6 through chemical means.

7 "Virgin oil" means oil that has been refined from crude oil
8 and that has not been used or contaminated with impurities."

9 SECTION 3. Section 103D-1012, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "~~§~~103D-1012~~§~~ **Biofuel preference.** (a)

12 Notwithstanding any other law to the contrary, contracts for the
13 purchase of diesel fuel or boiler fuel [~~shall~~] may be awarded to
14 the lowest responsible and responsive bidders, with preference
15 given to bids for biofuels or blends of biofuel and petroleum
16 fuel.

17 (b) When purchasing fuel for use in diesel engines, the
18 preference shall be five cents per gallon of one hundred per
19 cent biodiesel. For blends containing both biodiesel and
20 petroleum-based diesel, the preference shall be applied only to
21 the biodiesel portion of the blend.

1 (c) When purchasing fuel for use in boilers, the
2 preference shall be five cents per gallon of one hundred per
3 cent biofuel. For blends containing both biofuel and petroleum-
4 based boiler fuel, the preference shall be applied only to the
5 biofuel portion of the blend.

6 ~~[(d) As used in this section, "biodiesel" means a~~
7 ~~vegetable oil-based fuel that meets ASTM International standard~~
8 ~~D6751, "Standard Specification for Biodiesel (B100) Fuel Blend~~
9 ~~Stock for Distillate Fuels", as amended.]~~

10 ~~(e) As used in this section, "biofuel" means fuel from~~
11 ~~non-petroleum plant or animal based sources that can be used for~~
12 ~~the generation of heat or power.]~~"

13 SECTION 4. Chapter 103D, part XIII, Hawaii Revised
14 Statutes, is repealed.

15 SECTION 5. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on January 1, 2011.

18

Report Title:

Procurement Code; Biofuel and Recycled Oil Product Preferences

Description:

Relocates the recycled oil product preference provisions within the procurement code and repeals part XIII where these provisions were previously located. Changes the preference for biofuel and lubricating and industrial oil with the highest percentage of recycled oil from mandatory to permissive. (SD1)

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