

JAN 23 2009

A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. The legislature finds that procurement for
2 construction projects on the neighbor islands presents unique
3 problems for procuring agencies. State agencies have a vested
4 interest in achieving the most cost-effective means of
5 completing construction projects. However, many projects that
6 require construction or repair of crucial infrastructure, such
7 as roadways or damaged buildings, require agencies to be able to
8 award contracts in an expeditious manner to avoid disruptions in
9 essential services to residents. The legislature finds that, in
10 many cases, the most cost-effective means of completing
11 construction projects on the neighbor islands is through the use
12 of contractors and construction firms that are based on those
13 islands, as they already have the heavy equipment and personnel
14 on site. In addition, they frequently have existing supply
15 chains that do not require the acquisition or transport of large
16 amounts of construction materials. The legislature finds that a
17 procurement preference for local firms in the award of
18 construction contracts on neighbor islands would provide cost-



1 effectiveness, expediency, and improved value for the residents
2 of those islands and the State as a whole.

3 The purpose of this Act is to create a procurement
4 preference, applicable to construction contracts to be performed
5 in counties with a population of two hundred fifty thousand or
6 less, for firms that are headquartered in the county where the
7 construction project is to take place.

8 SECTION 2. Chapter 103D, Hawaii Revised Statutes, is
9 amended by adding a new section to part X to be appropriately
10 designated and to read as follows:

11 "§103D- Construction preference. (a) In any
12 expenditure of public funds by a state or county agency for
13 construction in a county with a population of less than two
14 hundred fifty thousand, the use of construction businesses
15 headquartered in that county shall be preferred.

16 (b) The policy board shall adopt rules in accordance with
17 chapter 91 for the purposes of this section. The rules shall
18 establish percentages of preference and the method for
19 determining qualifications for the preference."

20 SECTION 3. This Act does not affect rights and duties that
21 matured, penalties that were incurred, and proceedings that were
22 begun, before its effective date.



1 SECTION 4. New statutory material is underscored.

2 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: *Russly H. Baker*



Report Title:

Procurement; Construction

Description:

Establishes a procurement preference, applicable to construction contracts to be performed in counties with a population of 250,000 or less, for firms that are headquartered in the county where the construction project is to take place.

