

STAND. COM. REP. NO.

1039

Honolulu, Hawaii

MAR 22 2013

RE: H.B. No. 1328  
H.D. 1  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committees on Water and Land and Economic Development,  
Government Operations and Housing, to which was referred H.B.  
No. 1328, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE KAHO'OLAWA ISLAND  
RESERVE,"

beg leave to report as follows:

The purpose and intent of this Act is to grant the Kaho'olawe  
Island Reserve Commission a permanent exemption from chapter 103D,  
Hawaii Revised Statutes, for the procurement of food or fuel  
products necessary for the Commission to carry out the purposes of  
chapter 6K, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure  
from Kohe Malamalama O Kanaloa Protect Kaho'olawe Fund, Protect  
Kaho'olawe 'Ohana, and three individuals.

Act 159, Session Laws of Hawaii 2010, provided a temporary  
procurement exemption to the Commission that sunsets on July 1,  
2013. Your Committees find that the uniqueness of the  
Commission's work necessitates a procurement exemption. For  
example, personnel and cargo are typically transported between  
Maui and Kaho'olawe by boat, and helicopter transportation is used  
only sparingly due to its high cost. Both methods of  
transportation involve several variables, including the weather,  
mechanical functions, and personnel availability. Additionally,



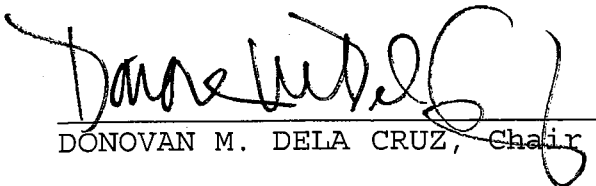
both methods of transportation have size and weight limitations for their cargo. The Commission's requirements for fuel products are also unique in the State, as the Commission takes delivery of and transports its own fuel supplies in multiple forms, such as bulk and barrel, which are not currently provided by the state-contracted fuel provider. Furthermore, food vendor prices change weekly, if not more frequently, and the Commission's food orders change weekly in terms of products and quantities ordered.

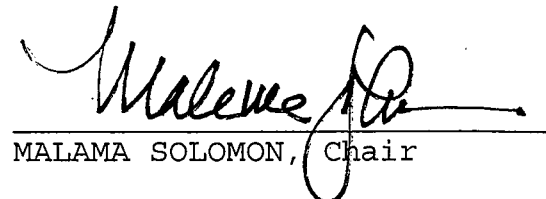
Purchasing flexibility under the current temporary exemption has allowed the Commission to make the most cost-effective and healthiest selections of local produce when available. Testimony of the Commission indicates that it has been able to reduce waste by purchasing smaller quantities on sale or at reduced prices, whereas purchasing from the state price list would entail larger bulk orders tailored for much larger institutions and operations.

Your Committees have amended this measure by changing the effective date to June 30, 2013.

As affirmed by the records of votes of the members of your Committees on Water and Land and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1328, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1328, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Water and Land  
and Economic Development,  
Government Operations and  
Housing,

  
DONOVAN M. DELA CRUZ, Chair

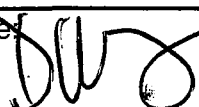
  
MALAMA SOLOMON, Chair





The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Economic Development, Government Operations and Housing**  
**EGH**

Bill / Resolution No.:* <b>HB 1328 HDI</b>	Committee Referral: <b>WTL/EGH, WAM</b>	Date: <b>3/21/13</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye ✓	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	✓			
SLOM, Sam (VC)				✓
BAKER, Rosalyn H.	✓			
CHUN OAKLAND, Suzanne				✓
ENGLISH, J. Kalani	✓			
THIELEN, Laura H.	✓			
WAKAI, Glenn				✓
<b>TOTAL</b>	<b>4</b>			<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes