
A BILL FOR AN ACT

RELATING TO HAWAII PRODUCTS PREFERENCE.

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

1 SECTION 1. The legislature finds that the preference for
2 Hawaii products was established to encourage the use of Hawaii
3 products by bidders to support local industries. However,
4 contractors and subcontractors have indicated that it is common
5 practice to source products locally due to availability and
6 pricing, which levels the playing field for all vendors. The
7 legislature further finds that the continued practice of
8 decreasing offers by a ten or fifteen per cent classification
9 preference could inflate industry rates, adding to the cost of
10 construction to the State and taxpayers. Since contractors and
11 subcontractors already use Hawaii products, this incentive is no
12 longer required, does not benefit the public, and would be
13 contrary to the goal of increasing the economy, efficiency,
14 effectiveness, and impartiality in the public works construction
15 procurement process.

16 The legislature further finds, however, that the preference
17 for Hawaii products is still necessary and advantageous with



1 respect to the procurement of agricultural goods, value-added
2 products, and commodities.

3 Accordingly, the purpose of this Act is to amend the
4 procurement preference for Hawaii products to only apply to the
5 procurement of agricultural goods, value-added products, and
6 commodities, subject to availability and policy considerations.

7 SECTION 2. Section 103D-1010, Hawaii Revised Statutes, is
8 amended to read as follows:

9 " ~~[§]103D-1010~~ **Purchases from qualified community**
10 **rehabilitation programs.** (a) Any governmental body, without
11 advertising or calling for bids, may purchase goods or services
12 provided by qualified community rehabilitation programs serving
13 persons with disabilities that have indicated an interest in
14 supplying the goods or services and on an equitable basis may
15 apportion the business among the interested programs; provided
16 that the goods and services meet the specifications and needs of
17 the purchasing agency and are purchased at a fair market price
18 as determined by the appropriate public agency; and provided
19 further that the programs comply with the following:

- 20 (1) Meet all of the requirements of a qualified community
21 rehabilitation program under section 103D-1001; and



(2) Maintain a disabled to non-disabled employee ratio equal to or in excess of three-to-one for work hours of direct labor at all times on the work contracted.

(b) The purchasing agency shall:

(1) Receive and review proposals submitted by qualified community rehabilitation programs to provide goods or services and determine if they are suitable for purchase by the agency; and

(2) Negotiate the conditions and terms for the purchase, including the price of the offer, between the agency and the qualified community rehabilitation program; provided that the price of the offer shall not exceed the fair market price and there is assurance that the qualified community rehabilitation program proposal is in compliance with all administrative rules related to purchasing[~~+~~and

~~(3) Ensure that any goods or service purchased from a qualified community rehabilitation program shall not be placed on the Hawaii products list under section 103D-1002]."~~



SECTION 3. Section 103D-1002, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) This section shall only apply to bids and proposals for agricultural goods, value-added products, and commodities.

A purchasing agency shall review all specifications in a bid or proposal for purchase of Hawaii products where these products are available[-] and where procurement of these products will promote the State's goal of increasing agricultural production and sustainability.

(b) All invitations for bids and requests for proposals to which this section applies shall:

(1) Include a description of the products that are listed in the Hawaii products list established pursuant to this section, which may be used to complete the scope of work specified in the invitation for bids or request for proposals; or

(2) Allow as part of the offer, self-certification that the Hawaii products qualify for preference; provided that the offer may be evaluated along with any other published criteria in the solicitation, including but not limited to considerations such as specific nutritional content



1 or its equivalent, timing of delivery, quality or freshness, and
2 past performance, if applicable.

3 All Hawaii products in any bid or request for proposal
4 shall be made available for inspection, or additional
5 information may be requested to verify that the Hawaii product
6 meets the minimum specifications."

7 SECTION 4. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

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



Report Title:

Procurement; Hawaii Product Preference; Agricultural Goods;
Value-Added Products; Commodities

Description:

Amends the procurement preference for Hawaii products to only
apply to agricultural goods, value-added products, and
commodities. (SD1)

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not legislation or evidence of legislative intent.*

