

Honolulu, Hawaii

FEB 18 , 2022

RE: H.B. No. 2068
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred
H.B. No. 2068 entitled:

"A BILL FOR AN ACT RELATING TO HAWAII PRODUCTS,"

begs leave to report as follows:

The purpose of this measure is to exempt construction procurements from the statutory provisions in the Hawaii Public Procurement Code that incentivize contractors and subcontractors to use Hawaii products.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Transportation, University of Hawai'i System, State Procurement Office, Department of Budget and Fiscal Services of the City and County of Honolulu, Honolulu Board of Water Supply, and General Contractors Association of Hawaii.

Your Committee finds that the purpose of section 103D-1002, Hawaii Revised Statutes, is to incentivize contractors and subcontractors to use Hawaii products to support the local industry. However, the incentive has had unintended consequences, including increased construction costs and decreased efficiency of the procurement process. Your Committee believes that exempting construction procurements from the requirements of this section



will yield potential savings in the costs of construction and reduce the effort necessary to prepare a construction bid.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2068, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Government Reform,



ANGUS L.K. MCKELVEY, Chair



