



STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
FINANCE

February 23, 2024, 1:00 p.m.

HOUSE BILL 2620, HD1
RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT

Chair Yamashita, Vice Chair Kitagawa, and members of the committee, thank you for the opportunity to submit testimony on House Bill 2620, HD1. The State Procurement Office (SPO) supports the bill's objective to raise the small purchase threshold for the Department of Education's (DOE) local edible produce and packaged food products procurement to \$100,000, aligning with small purchase procedures outlined in §103D-305, Hawaii Revised Statutes (HRS).

However, the SPO opposes the bill's provision exempting the DOE from conducting small purchases exceeding \$15,000 through to less than \$100,000 through an electronic system, as proposed in Section 2, page 2, line 12 through line 20. The SPO provides the following comments and recommendations.

Comments: The SPO is concerned that allowing the DOE to solicit only three quotes, for purchases up to \$100,000 may lead to parceling, violating ethical public procurement principles that ensure equal opportunities for all individuals to compete in a fair and transparent setting. This approach may result in repeatedly selecting the same vendors, hindering others from participating in the procurement process. Moreover, reliance on paper or manual processes lacks transparency and clear accountability.

The SPO acknowledges that there may be some benefits to allowing the DOE to obtain written quotes for purchases for under \$50,000, and use an electronic system for purchases of \$50,000 to \$100,000.

Additionally, the bill doesn't it make clear if each school is given this exemption over a 12-month period, or if the exemption applies to each transaction.

Recommendations: The SPO recommends revision to the proposed language:

“302A- Education local edible produce and locally packaged food products procurement; small purchases. Notwithstanding section 103D-305(c) and any other law to the contrary, procurements of less than \$50,000 for local edible produce and locally packaged food products for the department shall be exempt from the requirement to conduct such procurements through an electronic system and shall only be subject to no less than three written quotes for procurements of \$15,000 to less than ~~\$100,000~~ \$50,000.”

Thank you.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/23/2024

Time: 01:00 PM

Location: 308 VIA VIDEOCONFERENCE

Committee: House Finance

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB 2620, HD1 RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT.

Purpose of Bill: Exempts Department of Education purchases of local edible produce and packaged food products less than \$100,000 from the electronic procurement system requirement. Requires at least three written quotes for Department of Education purchases of local edible produce and packaged food products between \$15,000 to less than \$100,000. Effective 7/1/3000. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) supports HB 2620, HD 1.

This bill will increase the School Food Services Branch's (SFSB) small purchase procurement capacity and flexibility to procure more locally grown produce to aid in the Department's progress to meet the legislatively mandated local farm-to-school ingredients purchase goals.

The Department recognizes that the bill will require back-end tracking of expenditures on specific produce items to stay within the \$15,000 to \$100,000 cost range to avoid the risk of parceling. The Department also recognizes the necessity of gathering competitive bids to comply with small purchase procurement requirements.

The Department's SFSB also prefers electronic transactions, but we must retain the opportunity to procure from good local farmers, growing flavorful, nutritious, fresh, and food safety compliant produce across the state, who may be electronically limited. The SFSB recognizes that educating farmers about procurement compliance is a part of its

Farm to School mission. The opportunity for a farmer to sell more than \$25,000 of quality products to a larger population of students could be a valuable motivation tool for farmers to self-invest in compliance education.

Thank you for the opportunity to testify on this measure.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Friday, February 23, 2024 — 1:00 p.m.

Ulupono Initiative supports HB 2620 HD1, Relating to Department of Education Procurement.

Dear Chair Yamashita and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy, clean transportation choices, and better management of freshwater resources.

Ulupono supports HB 2620 HD1, which exempts Department of Education (DOE) purchases of local edible produce and packaged food products less than \$100,000 from the electronic procurement system requirement and requires at least three written quotes for DOE purchases of local edible produce and packaged food products between \$15,000 to less than \$100,000.

Ulupono supports the State's farm-to-institution efforts, including the DOE's Farm to School Program, which has the potential to leverage the department's significant buying power to become one of the state's largest purchasers of local food (perhaps one day the largest) while also shaping the tastes, attitudes and eating habits of Hawai'i's keiki for healthy outcomes. The State has committed to local food procurement goals through 2050 (including the DOE's own statutorily required goal of 30% local by 2030), and it is important to provide opportunities for local producers to participate in institutional purchasing. By expanding the small purchase exemption for the DOE, schools across the state will have an additional tool to procure fresh products from local farmers and ranchers.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



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February 23, 2024

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 2620, HD1
RELATING TO EDUCATION

Conference Room 308 & Videoconference
1:00 PM

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 2660, HD1, which exempts Department of Education purchases of local edible produce and packaged food products less than \$100,000 from the electronic procurement system requirement and requires at least three written quotes for Department of Education purchases of local edible produce and packaged food products between \$15,000 to less than \$100,000.

HFB strongly supports the increased use of locally grown agricultural products, fruits, vegetables, meats, dairy, poultry, and value-added products in our schools and state facilities. We support the State's Farm-to-School goal of 30% by 2030, in accordance with Act 175, SLH 2021.

Increased local purchasing by DOE will help address food security and food sustainability by creating demand for local farm products which will result in farmers and ranchers growing more. It will also help provide more of Hawai'i's fresh and nutritious foods to our students. However, Hawai'i's farmers and ranchers have tried to work with the procurement system and can speak to the shortcomings of the system. For example, supplying a school or schools within a geographic area is feasible. Providing to the entire school system is not. The focus should now be on working with the procurement system to make institutional markets accessible while considering the capacity of farmers and ranchers in Hawai'i. Assistance to farmers and ranchers on how to navigate the system should also be a priority.

HFB is committed to working with the Department of Education to implement a procurement program that will allow Hawai'i farmers and ranchers to source more local products for Hawai'i's Farm to School program.

Thank you for the opportunity to testify on this important matter.



HIPHI Board

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State of Hawai'i, Deputy Public
Defender

HIPHI Initiatives

Coalition for a
Tobacco-Free Hawai'i

Community Health
Worker Initiative

COVID-19 Response

Hawai'i Drug & Alcohol Free
Coalitions

Hawai'i Farm to School Hui

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective

Date: Thursday, February 22, 2024

To: Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair
Members of the Finance Committee

Re: Strong Support for HB2620 Relating to Department of Education
procurement

Mtg: Friday, February 23, 2024

Hawai'i Public Health Institute (HIPHI) works to advance policy and systems change to reduce disparities and improve the health of Hawai'i residents. HIPHI is home to and testifies here on behalf of The Hawai'i Farm to School Hui,ⁱ which collectively represents over 40 organizations from across the islands.

Hawai'i Public Health Institute appreciates the opportunity to provide Support for HB2620, which exempts purchases of local edible produce and packaged food products of under \$100,000 from the electronic procurement system for the Department of Education (DOE).

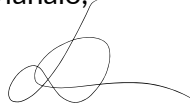
This bill increases flexibility for local food purchases from small and medium-sized farmers, who often do not have the time or resources to respond to electronic bid requests for larger quantities of product.

For several years the Farm to School Hui and HIPHI, along with other organizations, have advocated regionalizing local food purchases. For example, bananas to be served in school breakfast on Kauai should be purchased from farmers on that island. This arrangement would also allow for more interaction between the school community and the local farmers. This can lead to increased nutritional education and knowledge of locally grown and raised foods for consumption by Hawai'i's students, which will positively impact the health of our keiki and the development of Hawai'i sustainable food systems.

Under Act 175, the DOE is required to purchase locally grown food as 30% of total procurement by 2030 and 50% by 2050. More flexibility in purchasing from small and medium-sized farmers will not just help reach this goal, it will help students and their families understand why this goal is important.

Mahalo for this opportunity to testify in support of HB2620.

Mahalo,



Dennis Chase
Hawai'i Farm to School Hui Program Manager
Hawai'i Public Health Institute

ⁱ Founded in 2010, the **Hawai'i Farm to School Hui** is a statewide network comprising five island-level networks, community organizations, schools, state agencies, and other food systems stakeholders with a collective mission to strengthen Hawaii's farm to school movement. The three pillars of successful farm to school programs are 1) school gardens and on-campus farms, 2) education, and 3) school food improvements through local procurement.

HB-2620-HD-1

Submitted on: 2/22/2024 7:57:36 AM

Testimony for FIN on 2/23/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dana Shapiro	Hawaii Ulu COoperative	Support	Written Testimony Only

Comments:

- This bill increases flexibility for the School Food Service Branch, allowing the DOE to purchase more products directly from small and medium-sized farmers.
- The bill can open up new markets for the small and medium-sized farmers, who may not have the resources or technical expertise to use the standard electronic procurement system.
- The bill supports added regionalization in procurement, allowing farmers to supply local schools and students to eat food grown in their communities.
- Increased procurement of locally grown and raised foods for consumption by Hawai'i's students will positively impact the health of our keiki and the development of Hawai'i sustainable food systems.

HB-2620-HD-1

Submitted on: 2/22/2024 9:08:25 AM

Testimony for FIN on 2/23/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ming Wei Koh	Center for Getting Things Started	Support	Written Testimony Only

Comments:

Center for Getting Things Started supports HB2620 HD1. C4GTS works in educating for sustainability, regenerative agriculture and place-based education. We share the following reasons:

- This bill increases flexibility for the School Food Service Branch, allowing the DOE to purchase more products directly from small and medium-sized farmers.
- The bill can open up new markets for the small and medium-sized farmers, who may not have the resources or technical expertise to use the standard electronic procurement system.
- The bill supports added regionalization in procurement, allowing farmers to supply local schools and students to eat food grown in their communities.
- Increased procurement of locally grown and raised foods for consumption by Hawai'i's students will positively impact the health of our keiki and the development of Hawai'i sustainable food systems.

Mahalo nui,

Koh Ming Wei, PhD

Executive Director

mingwei@c4gts.org

HB-2620-HD-1

Submitted on: 2/21/2024 5:43:37 PM

Testimony for FIN on 2/23/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica dos Santos	Individual	Support	Written Testimony Only

Comments:

Aloha Legislators,

I am writing to express my unwavering support for HB2620, which seeks to adjust the Department of Education's small purchase procurement capacity to facilitate the procurement of local edible produce and packaged food products. As a concerned citizen deeply committed to promoting local agriculture, supporting our schools, and enhancing food security in Hawai'i, I believe that this legislation is a crucial step towards achieving these important goals.

The Department of Education plays a pivotal role in shaping the future of our state by providing quality education to thousands of students across Hawai'i. However, in order to effectively carry out its mission, the department must procure a wide range of goods and services to support its operations. HB2620 recognizes the unique needs and challenges faced by the Department of Education, particularly in its efforts to provide locally sourced foods to Hawai'i's public schools.

By adjusting the small purchase procurement capacity of the Department of Education, HB2620 will streamline the procurement process for local edible produce and packaged food products, making it easier for the department to meet its mandate of providing at least thirty percent locally sourced foods to public schools by 2030. The exemption from the electronic procurement system requirement for purchases under \$100,000 and the requirement for at least three written quotes for purchases between \$15,000 to less than \$100,000 will provide the department with the flexibility and efficiency needed to procure locally sourced foods in a timely and cost-effective manner.

Furthermore, supporting local agriculture not only promotes economic development and sustainability but also fosters a deeper connection between our communities and the food we consume. By prioritizing locally grown produce and packaged food products in our public schools, we can promote healthy eating habits, support local farmers, reduce our carbon footprint, and strengthen our food security.

In conclusion, HB2620 represents a commonsense approach to supporting local agriculture, enhancing food security, and ensuring the well-being of our students. I urge you to strongly support and prioritize the passage of HB2620 for the benefit of our communities, our farmers, and our future generations.

Sincerely,

Jessic dos Santos

HB-2620-HD-1

Submitted on: 2/22/2024 8:08:58 PM

Testimony for FIN on 2/23/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kiana Otsuka	Individual	Support	Written Testimony Only

Comments:

Testifying in strong support.

HB-2620-HD-1

Submitted on: 2/23/2024 5:28:21 AM

Testimony for FIN on 2/23/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lydi Morgan Bernal	Individual	Support	Written Testimony Only

Comments:

Thank you very much for hearing this bill.

I strongly support this bill, which is a critical step in making farm to school possible across HIDOE!

In my experience, I see that local farmers would like to be able to provide food for the students and schools in their own communities.

Please help to grow strong community food systems by passing this bill. Mahalo nui!

HB-2620-HD-1

Submitted on: 2/23/2024 12:31:35 PM

Testimony for FIN on 2/23/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
EZEKIEL LANI	Individual	Support	Written Testimony Only

Comments:

I support this bill because we need to get access to more local foods for our school cafeterias. The procurement rules for buying from certain vendors are preventing us from accessing our choices.

HB-2620-HD-1

Submitted on: 2/23/2024 12:38:44 PM

Testimony for FIN on 2/23/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
KIMBERLY LANI	Individual	Support	Written Testimony Only

Comments:

This would help local Molokai vendors gain access to the State vendor list, creating opportunities for healthier options in school cafeterias. It will help meet the 30x30 sooner, and also stimulate our local island economy.

mahalo