



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

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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
GOVERNMENT OPERATIONS
MARCH 18, 2025, 3:05 pm

HOUSE BILL 1187, HD1
RELATING TO PROCUREMENT

Chair McKelvey, Vice Chair Gabbard, and members of the committee, thank you for the opportunity to submit comments on House Bill 1187, HD1. The State Procurement Office (SPO) supports the intent of this bill to phase in a ban on state departments and administratively attached agencies from purchasing imported flowers and lei.

HB1187, HD1, provides a structured transition for state agencies to align purchasing policies with sustainability goals while supporting local businesses. By phasing in procurement requirements over time, the bill allows state agencies to plan for and integrate local sourcing into their procurement processes. This gradual shift ensures that agencies can comply with the new requirements efficiently while fostering partnerships with local suppliers. Additionally, prioritizing locally grown products enhances supply chain resilience, mitigates risks associated with external market disruptions, and contributes to the long-term economic stability of the state.

However, SPO acknowledges a **potential challenge** in ensuring compliance with this measure. State departments and agencies will need a clear and practical method to verify the origin of flowers and lei purchased under the procurement process. To address this, we recommend that vendors be required to include a label or certification indicating that the plant materials used in their products are locally grown. This labeling requirement would enhance transparency, simplify procurement decisions, and support agencies in meeting the bill's requirements.

Thank you for the opportunity to provide testimony in support of HB1187, HD1.

DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHĒLU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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March 17, 2025

The Honorable Angus L.K. McKelvey, Chair
The Honorable Mike Gabbard, Vice-Chair
and Members of the Committee on Government Operations
State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair McKelvey, Vice-Chair Gabbard and Committee Members:

SUBJECT: Opposition of House Bill 1187 HD1, Relating to Procurement
Hearing: March 18, 2025, 3:05 p.m., Conference Room 225 and
Videoconference

The Department of Budget and Fiscal Services, City and County of Honolulu ("City"), **strongly opposes** House Bill ("HB") 1187 HD1, Relating to Procurement, and offers comments.

While Hawaii Revised Statutes ("HRS") Chapter 103D applies to all state and county departments and agencies, the inclusion of "state departments or its administratively attached agency" makes it unclear if this requirement applies to the counties. Generally, preferences allowed by Hawai'i Public Procurement Code are subject to Part X of HRS 103D and use a bid discount preference for evaluation purposes, but the contract amount awarded shall be the amount of the actual bid or price offered.

It would be difficult to confirm the minimum percentage of plant material grown or harvested outside of the State during the procurement process and the requirement offers no alternatives if the local supply is not sufficient to keep up with demands. All preferences require additional funds, time, and resources to review and analyze bids and proposals, which complicates and further delays the procurement process, and increases chances for protests and complaints.

For the reason stated above, the City strongly opposes House Bill 1187 HD1.

The Honorable Angus L.K. McKelvey, Chair
The Honorable Mike Gabbard, Vice-Chair
and Members of the Committee on Government Operations
March 17, 2025
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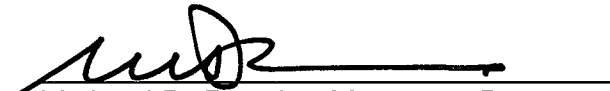
Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact the Department of Budget & Fiscal Services' Division of Purchasing at (808) 768-5535 or bfspurchasing@honolulu.gov.

Sincerely,



Andrew T. Kawano
Director

APPROVED:



Michael D. Formby, Managing Director
Office of the Managing Director