

STAND. COM. REP. NO.

471

Honolulu, Hawaii

MAR 05 2009

RE: S.B. No. 506
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Judiciary and Government Operations, to which was referred S.B. No. 506 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is amend the Hawaii public procurement code to:

- (1) Define "Hawaii input";
- (2) Clarify the definition of "Hawaii products" to include Hawaii input of more than fifty per cent of the total cost of the product;
- (3) Allow self-certification when submitting a response to a solicitation that seeks a preference for Hawaii products;
- (4) Require that for calculating the price or bid for a Hawaii product item, a fifteen per cent reduction in the price or bid be provided where the offer includes Class II Hawaii items;
- (5) Require any person desiring a preference, who is not on the Hawaii products list, to certify the Hawaii product when submitting a response to a solicitation;



- (6) Establish penalties for failing to adequately verify, deliver, or supply Hawaii products when a certification has been made; and
- (7) Amend the Hawaii Administrative Rules relating to procurement to reflect the statutory changes made by this measure.

Your Committee received testimony in support of this measure from the County of Hawaii Department of Research and Developments; Hawaii Farm Bureau Federation; Big Island Farm Bureau; and Kona County Farm Bureau. Testimony in opposition was received from the Department of Agriculture. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would provide Hawaii agricultural producers increased opportunities to access value-added produce markets in the State's institutional facilities that constitute bulk purchasers.

Based upon the testimony, your Committee finds that it is preferable to leave in place the administrative procurement exemptions for certain Hawaii products, most notably fresh meats and produce, animals and plants, and food and fodder for animals, which form the basis of Hawaii agriculture.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 506, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Government Operations,


BRIAN T. TANIGUCHI, Chair

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Judiciary and Government Operations
JGO

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB506</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">JGO</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/11/09</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended <small>2312</small></div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments <small>2311</small></div> <div style="text-align: center;"><input type="checkbox"/> Hold <small>2310</small></div> <div style="text-align: center;"><input type="checkbox"/> Recommit <small>2313</small></div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
TAKAMINE, Dwight Y. (VC)	✓			
BUNDA, Robert	✓			
GABBARD, Mike				✓
NISHIHARA, Clarence K.	✓			
SLOM, Sam	✓			
TOTAL	<div style="font-size: 1.2em; font-family: cursive;">5</div>	<div style="font-size: 1.2em; font-family: cursive;">0</div>	<div style="font-size: 1.2em; font-family: cursive;">0</div>	<div style="font-size: 1.2em; font-family: cursive;">1</div>
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-top: 10px;"> </div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes