
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF EDUCATION.

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

1 SECTION 1. Chapter 302A, Hawaii Revised Statutes, is
2 amended by adding a new section to subpart C of part II to be
3 appropriately designated and to read as follows:
4 "§302A- Procurement; locally sourced products;
5 geographic preference; small purchases. (a) Notwithstanding
6 section 103D-305(c) or any other law to the contrary, the
7 department may procure fresh local agricultural products and
8 local value-added, processed, agricultural, or food products of
9 less than \$250,000 without using an electronic system; provided
10 that for these procurements:
11 (1) No less than three written quotes shall be obtained
12 for procurements of \$25,000 to less than \$250,000;
13 provided further that the department may instead
14 require no less than two written quotes for
15 procurements of \$25,000 to less than \$250,000 for
16 fresh local agricultural products and local
17 value-added processed, agricultural, or food products



1 to supply schools in rural communities, as determined
2 by the department;

3 (2) If the department is unable to receive the required
4 number of quotes under paragraph (1), written
5 justification shall be provided and kept by the
6 department in the procurement file;

7 (3) All awards exceeding \$2,500 shall be posted
8 electronically on the Hawaii awards and notice data
9 system (HANDS) or successor system, or a similar
10 department of education procurement platform;

11 (4) Offerors shall comply with section 103D-310(c); and

12 (5) The state procurement officer may request data from
13 the department to evaluate the efficacy of this
14 section.

15 (b) The department shall establish guidelines with a
16 county-level geographic preference for locally sourced products
17 when procuring products. The guidelines shall include the
18 following provisions:

19 (1) The department shall award contracts for locally
20 sourced products if the cost is not more than ten per



1 cent higher than the lowest-priced out-of-state
 2 option; and
 3 (2) The department may award contracts for locally sourced
 4 products if the cost is not more than fifteen per cent
 5 higher than the lowest-priced out-of-state option;
 6 provided that justification for the selection is
 7 documented.

8 (c) For the purposes of this section:
 9 "Fresh local agricultural products" has the same meaning as
 10 defined in section 302A-405.6.

11 "Local value-added processed, agricultural, or food
 12 products" has the same meaning as defined in section 302A-405.6.

13 "Locally sourced products" has the same meaning as defined
 14 in section 302A-405.6."

15 SECTION 2. Section 103D-104.5, Hawaii Revised Statutes, is
 16 amended to read as follows:

17 "~~§~~103D-104.5~~§~~ **Agricultural products subject to this**
 18 **chapter~~-~~; exemptions.** (a) [The] Except as provided in
 19 subsection (b), the following agricultural products shall be
 20 subject to this chapter:

21 (1) Fresh meats and produce; and



1 (2) Animals and plants.

2 (b) Procurements of the agricultural products listed in
3 subsection (a) by the department of education shall be exempt
4 from this chapter.

5 (c) Except for the exemptions under section 103D-102(b) [~~7~~]
6 and subsection (b), no exemptions under this chapter shall apply
7 to this section."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

DOE; Procurement; Locally Sourced Products; Fresh Local Agricultural Products; Local Value-Added Processed, Agricultural, or Food Products; Exemption; Geographic Preference

Description:

Exempts from the electronic procurement system the Department of Education's purchase of fresh local agricultural products and local value-added processed, agricultural, or food products not exceeding \$250,000, subject to certain requirements. Requires the Department of Education to establish guidelines for determining a geographic preference for locally sourced products. Exempts the Department of Education from the requirement that certain agricultural products are subject to the Hawaii Public Procurement Code. Effective 7/1/2050. (SD2)

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