

# SB 1275

## SB1275

Measure Title: RELATING TO THE KAHO'OLAWA ISLAND RESERVE COMMISSION.

Report Title: Kaho'olawe Island Reserve Commission; Procurement Exemption

Description: Grants the Kaho'olawe island reserve commission a permanent exemption from chapter 103D, HRS, for the procurement of food or fuel products necessary for the commission to carry out the purposes of chapter 6K, HRS.

Companion:

Package: None

Current Referral: WTL/EGH, WAM

Introducer(s): ENGLISH, CHUN OAKLAND, DELA CRUZ, KEITH-AGARAN, RUDERMAN, Nishihara

<u>Sort by Date</u>		Status Text
1/24/2013	S	Introduced.
1/24/2013	S	Passed First Reading.
1/28/2013	S	Referred to WTL/EGH, WAM.
2/1/2013	S	The committee(s) on WTL/EGH has scheduled a public hearing on 02-05-13 1:30PM in conference room 225.

S = Senate | H = House | D = Data Systems | \$ = Appropriation measure | ConAm = Constitutional Amendment  
Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.



*KŪKULU KE EA A KANALOA*

## **KAHO`OLAWE ISLAND RESERVE COMMISSION**

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Michael K. Nāho`opi'i  
*Executive Director*

### **Testimony of MICHAEL K. NAHO`OPTI Executive Director**

### **Before the Senate Committees on Water and Land and Economic Development, Government Operations and Housing**

**Tuesday, February 5, 2013  
1:30 PM  
State Capitol, Conference Room 225**

### **In consideration of SENATE BILL 1275 RELATING TO THE KAHO`OLAWE ISLAND RESERVE**

Senate Bill 1275 grants the Kaho`olawe Island Reserve Commission (KIRC) a permanent exemption from Chapter 103D, HRS, for the procurement of food or fuel products necessary for the KIRC to carry out the purposes of Chapter 6K, HRS. The KIRC supports this measure and seeks to make this procurement exemption for food and fuel permanent, for it has increased the KIRC's purchasing flexibility and reduced cost and wastage.

On June 2, 2010, Public Act 159 of 2010 was signed into law, authorizing this exemption on a temporary basis. Prior to Act 159, the KIRC regularly received these exemptions on a case-by-case basis by the State Procurement Office due the unique nature of the KIRC's operations. Personnel and cargo are typically transported between Maui and Kaho`olawe by boat; helicopter transportation is used only sparingly due to its cost. Both methods of transportation involve several variables, including the weather, mechanical functions and personnel availability. Additionally, both methods of transportation have size and weight limitations for their cargo. Due to these factors and other similar restrictions that face the KIRC in advancing its mission, including inherent planning, logistics and timeliness challenges, strict adherence to procurement requirements is frequently not practicable or advantageous to the State.

Food vendor prices change weekly, if not more frequently, and KIRC's food orders change weekly, in terms of products and quantities ordered as well as delivery logistics – all of which make the regular procurement process for KIRC's needs a "square peg in a round hole." The purchasing flexibility of the current temporary exemption has allowed the KIRC to make the most cost effective and healthiest selections of local produce when available. Additionally, the KIRC's current requirements for fuel products are unique in the State, as we take delivery and

transport our own fuel supplies in multiple forms, such as bulk and barrel, not currently provided by the State contracted fuel provider.

Since the authorization of this Act, we have annually reduced our food expenditures by about \$20,000 while still supporting the same number of volunteers to Kaho`olawe. Lastly, we have been able to reduce wastage by purchasing smaller quantities on sale or at reduced prices, whereas purchasing on the State price list would entail larger bulk orders tailored for much larger institutions and operations than ours.

Your support of Senate Bill 1275 would make this food and fuel procurement exemption permanent, thus continuing to allow the KIRC to fulfill its statutory mission in an efficient and cost-effective manner.