



**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**

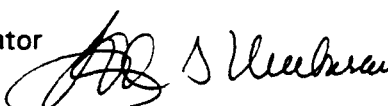
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

MARY PATRICIA WATERHOUSE
DEPUTY COMPTROLLER

September 21, 1999

PROCUREMENT CIRCULAR NO. 1999-07(C)

TO: Chief Procurement Officers (Excluding the Counties)

FROM: Lloyd I. Unebasami, Administrator
State Procurement Office 

SUBJECT: "Recycled Oil Act", Act 053, SLH 1999 (HB 1350, H.D. 1)

The purpose of this circular is two-fold:

- 1) To inform you of the subject legislation signed into law by the Governor, effective April 26, 1999; and
- 2) To offer you the option of participating in a State Procurement Office price list for oil and grease lubricants.

Act 053 (copy attached) requires public contracts to be awarded to vendors whose oil products contain the greatest percentage of recycled oil. Under this law, any procurement officer that purchases lubricating oil and industrial oil shall purchase the oil from the seller who certifies the oil product containing the greatest percentage of recycled oil. Please note the definition of "Procuring agency" on page 3 of the Act, which can affect your future contracts involving lubricating or industrial oil. Also, note that pursuant to section 103D-1001.5, HRS, preferences shall only apply to procurements made under sections 103D-302, HRS, and 103D-303, HRS.

The procurement officer may purchase an oil product containing a lower percentage of recycled oil provided that the specific recycled oil is:

- (1) Not available within a reasonable period of time or in quantities necessary to meet an agency's requirements;
- (2) Not able to meet the performance requirements or standards recommended by the equipment or vehicle manufacturer, including any warranty requirements;
- (3) Available only at a cost greater than the cost of comparable virgin oil products; or
- (4) Likely to breach an existing warranty that requires the purchase of virgin oil products for exclusive use in vehicles or equipment whose warranties expressly prohibit the use of products containing recycled oil.

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The act also provides that each chief procurement officer shall establish and maintain an affirmative program for procuring oils containing the maximum content of recycled oil. The affirmative program shall include:

- (1) Placement of descriptions of the preference of recycled oil products in publications used to solicit bids from suppliers or vendors;
- (2) Descriptions of the recycled oil procurement program at the bidders' conferences;
- (3) Discussion of the preference program in lubricating oil and industrial oil procurement solicitations, invitation for bids, requests for proposals, or other solicitations for offers under Chapter 103D, HRS; and
- (4) Efforts to inform trade associations about the preference program.

As it is in the State's best interest to encourage the use of recycled products and to obtain quantity pricing, the State Procurement Office plans to issue a price list for oil and grease lubricants for the period January 1, 2000 to December 31, 2000.

If you wish to participate in this price list under the cooperative purchasing provision of the procurement code, please complete the attached commitment form (negative responses are also requested) and distribute the attached requirements form to all programs under your jurisdiction including those on the neighbor islands. Collect the individual program requirements, include any additional products required with their quantities and specifications, and complete a consolidated listing for each island.

Please submit the commitment form, the consolidated requirements form(s), if any, and any comments to the State Procurement Office, P.O. Box 119, Honolulu, HI 96810-0119, or fax them to (808) 586-0570 by October 18, 1999.

Questions relating to this circular may be directed to Justin Fo at 586-0577.

JF:sk

Attach. (3) Act 053
Commitment Form
Requirements Form

COMMITMENT FORM
PRICE LIST FOR OIL AND GREASE LUBRICANTS

() YES, will participate in this price list. *

We do not have any current oil product contracts.

We have current oil product contracts expiring on:

() NO, will not participate.

Contact Person: _____ Phone Number: _____

Signature: _____ Date: _____

Chief Procurement Officer

Jurisdiction: _____

Attach. Requirements Form

* A signed cooperative purchasing agreement will be required for participation in this price list.

Note: The following Chief Procurement Officers are still pending signed cooperative agreements:

The Honorable Jon Yoshimura, Chairperson, Honolulu City Council
The Honorable Rowena Akana, Chairperson, Office of Hawaiian Affairs
The Honorable Harry Takahashi, Finance Director, County of Hawaii
Mr. Milton Pavao, Manager, Hawaii Department of Water Supply