



**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(E)

TO: All Executive Departments (Except DOE)

FROM: Lloyd I. Unebasami
Chief Procurement Officer
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 obtain agencies' requirements for oil and grease lubricants for purposes of issuing a statewide price list.

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 needs;
- (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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As it is in the State's best interest to encourage the use of recycled products, 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.

Please distribute the attached requirements form to all programs under your department including those on the neighbor islands. Collect the individual program requirements, include any additional products required with their quantities and specifications including if there is an equivalent recycled oil product, and complete a consolidated listing for each island.

Submit the consolidated requirements form(s) 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. Agencies with no requirements are requested to submit negative responses.

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

JF:sk

Attach. (2) Act 053
Requirements Form

c: UH (OPPRM)