

September 6, 2000

PROCUREMENT CIRCULAR NO. 2000-07

TO: All Chief Procurement Officers
All Executive Departments (Except DOE, OHA, & UH)

FROM: Robert J. Governors, Acting Administrator
State Procurement Office

SUBJECT: Reciprocal Preference Law

This circular replaces Procurement Circular Nos. 1996-05(C), 1996-05(E), and 1997-12.

The application of the State of Hawaii reciprocal preference is at the option of the chief procurement officers. For the executive branch, I have made the application of the reciprocal preference at the option of the department heads. Should you decide on the use of this preference, attached for dissemination to agencies within your jurisdiction, is the State of Oregon's list of preference laws for the various states.

When determining the lowest evaluated bid price, the percentage of preference given to out-of-state bidders in their home state is added to the out-of-state bidder's price. As an example, if the low bidder is from a state that grants a 10 percent in-state preference to its own state bidders, and Hawaii does not have a comparable preference, the Hawaii agency must add 10 percent to the out-of-state bidder's price when evaluating the bid.

If the out-of-state bidder's state has a preference comparable to a Hawaii preference, the reciprocal preference shall be the amount the out-of-state preference exceeds the Hawaii preference. As an example, if the low bidder is from California and California grants a 10 percent California Products preference to its own-in-state bidders, and the Hawaii bidder has a 3 percent Hawaii Products preference, the Hawaii agency must add 7 percent to the California bidder's price when evaluating the bid.

A reference to the application of the preference must be stated in the invitation for bid. Please refer to section 103D-1004, HRS, and sections 3-124-15 to 3-124-18, HAR, for additional Information on the application of the reciprocal preference.

If you are in need of any assistance in the application of this law, please call me at 586-0554.

JF:sk

Attachment: State of Oregon's Preference List