
A BILL FOR AN ACT

RELATING TO PROCUREMENT OF CONTRACTS FOR VEHICLE RENTAL.

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

1 SECTION 1. The legislature finds that Hawai'i currently has
2 over one million gasoline-powered vehicles on its roads, which
3 emit nearly five million metric tons of climate-changing carbon
4 pollution annually. Some of these vehicles are used by state
5 and county government employees in the performance of their
6 duties.

7 Electric vehicles will play an integral role in Hawai'i's
8 clean energy future and in meeting the goals set for the State
9 in reducing its greenhouse gas emissions, particularly as
10 electrical generation in Hawai'i transitions more completely to
11 renewable energy sources. Moreover, that transition to
12 renewable energy sources for electricity will reduce costs of
13 electric vehicle transportation below those for gasoline-powered
14 vehicles. Finally, electric vehicles benefit air quality by
15 eliminating the tailpipe emissions from combustion of gasoline
16 or diesel fuel.



1 Therefore, the purpose of this Act is to require all state
2 and county agencies to rent an electric or hybrid vehicle for
3 those occasions when a vehicle must be rented for state or
4 county employees conducting official government business. To
5 this end, the legislature further finds that state procurement
6 policy for contracts with car rental companies should be revised
7 to place priority on having a larger pool of electric vehicles
8 and hybrid vehicles available to rent for official government
9 business.

10 SECTION 2. Chapter 103D, Hawaii Revised Statutes, is
11 amended by designating sections 103D-1001 to 103D-1012, as
12 subpart A and inserting a title before section 103D-1001, to
13 read as follows:

14 "A. General Provisions"

15 SECTION 3. Chapter 103D, Hawaii Revised Statutes, is
16 amended by adding a new subpart to part X to be appropriately
17 designated and to read as follows:

18 "B. Vehicle Rental Contracts"

19 §103D- Definitions. As used in this subpart:

20 "Available" means that the vehicle is physically present
21 and not rented prior to the requested rental.



1 "Conventional vehicle" means a vehicle powered solely by an
2 internal combustion engine.

3 "Electric vehicle" means a vehicle powered by an electric
4 motor via electricity:

5 (1) Stored in a high capacity battery; or

6 (2) Generated from an onboard fuel cell.

7 "Hybrid vehicle" means a vehicle powered by a combination
8 of an electric motor and a small internal combustion engine.

9 "Rental contractor" means an entity that rents, or proposes
10 to rent, vehicles to state employees for purposes of official
11 government business under a contract pursuant to this subpart.

12 "Rent" or "rental" shall include any variation of the term
13 "lease".

14 "State employee" means an employee of the State or a
15 county, including all permanent and temporary employees of:

16 (1) The state judicial, executive, and legislative
17 branches and their respective departments, offices and
18 agencies, the state executive branch and its
19 departments or agencies; and

20 (2) The county governments and their departments,
21 agencies, and offices.



1 "Suitable" means the vehicle has the performance
2 capabilities needed for the intended application, including
3 payload and weight capacity for the job, or is capable of
4 holding a charge for the time and mileage needed.

5 §103D- Preference for the rental of electric or hybrid
6 vehicles. (a) All state and county entities, when renting a
7 vehicle on behalf of a state employee in the discharge of
8 official government business, shall rent a vehicle of one of the
9 following types, listed in order of preference:

10 (1) Electric vehicle; or

11 (2) Hybrid vehicle;

12 provided that such a vehicle is suitable for the specific travel
13 requirements and is available.

14 (b) The state or county entity may rent a conventional
15 vehicle only if:

16 (1) An electric or hybrid vehicle is not suitable; or

17 (2) Neither an electric nor a hybrid vehicle is available.

18 (c) A state or county entity shall exercise the policy
19 preference for rental of an electric or hybrid vehicle
20 notwithstanding that there may be a higher cost associated with
21 renting an electric or hybrid vehicle; provided that the cost



1 premium is consistent with any budgetary constraints, and not
2 contradicted by an existing state contract with the rental
3 business entity from which the vehicle is rented.

4 (d) To the extent practicable, all state and county
5 entities shall rent a vehicle pursuant to subsection (a) from a
6 rental contractor.

7 §103D- State procurement of vehicle rental contracts;
8 electric and hybrid vehicle preference. (a) The state

9 procurement office shall promulgate preferred contract terms for
10 contracts with rental contractors to implement the intent of
11 this subpart to prioritize the rental of electric vehicles.
12 These terms shall apply to all vehicle rental contracts for
13 which invitations to bid are issued after the effective date of
14 this section.

15 (b) All invitations to bid for vehicle rental contracts
16 shall inform prospective bidders that:

17 (1) The State places highest priority on the rental of
18 electric vehicles and secondary priority on rental of
19 hybrid vehicles, with the exception of specialized
20 uses for which electric vehicles are not yet available
21 and suitable as of the date of a bid invitation; and



1 (2) Bids made in response to an invitation should provide
2 for contract terms consistent with the criteria
3 specified in subsection (c).

4 (c) Contractual terms for contracts with rental
5 contractors shall be consistent with the following criteria:

6 (1) The contract shall contain an acknowledgement by the
7 rental contractor of the State's priority of renting
8 electric vehicles;

9 (2) The rental contractor shall have, on average, as
10 determined on a monthly basis, a sufficient number of
11 electric vehicles available and suitable for use
12 within the rental contractor's service area to meet
13 the following percentages of daily demand for vehicle
14 rentals:

15 (A) For contracts executed in 2021 and 2022, twenty
16 per cent of daily demand for rental vehicles;

17 (B) For contracts executed in 2023, 2024, and 2025,
18 thirty-three per cent of daily demand for
19 rentals;

20 (C) For contracts executed in 2026, 2027 and 2028,
21 fifty per cent of daily demand for rentals;



1 (D) For contracts executed in 2029 through 2034,
2 seventy-five per cent of daily demand for rental
3 vehicles; and

4 (E) For contracts executed in 2035 and subsequent
5 years, ninety per cent of daily demand for rental
6 vehicles; and

7 (3) The cost premium for rental of an electric vehicle
8 shall not exceed twenty-five per cent of the rental
9 fee for a comparable conventional vehicle.

10 (d) The procurement office may accept a contract from a
11 prospective rental contractor who fails to meet the minimum
12 vehicle availability and cost premium criteria of subsection (c)
13 if:

14 (1) No acceptable bidder on the relevant invitation to bid
15 submitted proposed contract terms compliant with the
16 criteria of subsection (c);

17 (2) The prospective rental contractor demonstrates an
18 inability to acquire a sufficient number of electric
19 vehicles to satisfy the vehicle availability criterion
20 of subsection (c) due to the demand for such vehicles



1 exceeding the production output by vehicle
2 manufacturers or another compelling justification;
3 (3) The cost premium for electric vehicles does not exceed
4 fifty percent of the rental fee for a comparable
5 conventional vehicle and does not exceed the budgeted
6 amount for vehicle rental; or
7 (4) The prospective rental contractor can meet the
8 criteria of subsection (c) or this subsection with a
9 combination of electric and hybrid vehicles."

10 SECTION 4. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 2021.

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INTRODUCED BY:

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H.B. NO. 424

Report Title:

State Procurement Office; Rental Vehicles; Preferences; Electric or Hybrid Vehicles

Description:

Requires all state and county entities, when renting a vehicle on behalf of a state employee in the discharge of official government business, to rent electric or hybrid vehicles, in order of preference, provided that such a vehicle is suitable for the specific travel requirements and available when needed. Requires the State Procurement Office to promulgate rules and execute future contracts consistent with specified terms.

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