
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. Section 103D-323, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Unless the policy board determines otherwise by
4 rules, bid security shall be required only for construction
5 contracts to be awarded pursuant to sections 103D-302 and
6 103D-303 and when the price of the contract is estimated by the
7 procurement officer to exceed [~~\$25,000~~] the limits of section
8 103D-305, or, if the contract is for goods or services, the
9 purchasing agency secures the approval of the chief procurement
10 officer. Bid security shall be a bond provided by a surety
11 company authorized to do business in the [~~State,~~] state, or the
12 equivalent in cash, or otherwise supplied in a form specified in
13 rules."

14 SECTION 2. Section 103D-324, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) Unless the policy board determines otherwise by
17 rules, the following bonds or security shall be delivered to the
18 purchasing agency and shall become binding on the parties upon



1 the execution of the contract if the contract which is awarded
2 exceeds [~~\$25,000~~] the limits of section 103D-305 and is for
3 construction, or the purchasing agency secures the approval of
4 the chief procurement officer:

5 (1) A performance bond in a form prescribed by the rules
6 of the policy board, executed by a surety company
7 authorized to do business in this [State] state or
8 otherwise secured in a manner satisfactory to the
9 purchasing agency, in an amount equal to one hundred
10 per cent of the price specified in the contract;

11 (2) A payment bond in a form prescribed by the rules of
12 the policy board, executed by a surety company
13 authorized to do business in this [State] state or
14 otherwise secured in a manner satisfactory to the
15 purchasing agency, for the protection of all persons
16 supplying labor and material to the contractor for the
17 performance of the work provided for in the contract.
18 The bond shall be in an amount equal to one hundred
19 per cent of the price specified in the contract; or

20 (3) A performance and payment bond which satisfies all of
21 the requirements of paragraphs (1) and (2)."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 2009 and
4 shall be repealed on July 1, 2012; provided that sections 103D-
5 323(a) and 103D-324(a), Hawaii Revised Statutes, shall be
6 reenacted in the form in which they read on the day before the
7 effective date of this Act.



Report Title:

Procurement; Bid Ceiling Limit

Description:

Raises the ceiling for construction contract bid security requirements from \$25,000 to \$50,000. (HB1768 HD1)

