

JAN 26 2011

A BILL FOR AN ACT

RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE.

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

1 SECTION 1. Section 103D-305, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§103D-305 Small purchases; prohibition against parceling.

4 (a) [~~Procurements~~] Except as provided in subsection (d),
5 procurements of less than \$100,000 for goods or services, or
6 \$250,000 for construction shall be made in accordance with
7 procedures set forth in rules adopted by the policy board that
8 are designed to ensure administrative simplicity and as much
9 competition as is practicable; provided that [~~multiple~~]:

10 (1) Multiple expenditures shall not be created at the
11 inception of a transaction or project so as to evade
12 the requirements of this chapter; and [~~provided~~
13 ~~further that procurement~~]

14 (2) Procurement requirements shall not be artificially
15 divided or parceled so as to constitute a small
16 purchase under this section.



1 (b) Procurements of greater than \$50,000 for construction
2 under subsection (a) shall require security by a performance
3 bond delivered to the purchasing agency that is:

4 (1) In a form prescribed by the rules of the policy board;

5 (2) Executed by a surety company authorized to do business
6 in this State; and

7 (3) In an amount equal to one hundred per cent of the
8 price specified in the contract,

9 or shall otherwise be secured by a performance bond in a manner
10 satisfactory to the purchasing agency.

11 (c) Procurements of \$25,000 to less than \$100,000 shall be
12 made in accordance with small purchase procedures; provided that
13 small purchase procurements through an electronic system shall
14 be required after the policy board has adopted rules for
15 electronic procurement and provided training to the affected
16 agency.

17 (d) Construction procurements of less than \$50,000 to
18 contract for drilling work and soil testing shall be made by
19 competitive sealed bid; provided that the bid request shall be
20 advertised to the public on the department of accounting and
21 general services' website; and provided further that the bid for



1 drilling and soil testing shall be separate from a bid for the
2 engineering work on the same project."

3 SECTION 2. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.

6 SECTION 3. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect upon its approval;
9 provided that the amendments to section 103D-305, Hawaii Revised
10 Statutes, by this Act shall not be repealed when that section is
11 reenacted on July 1, 2012, by section 14 of Act 175, Session
12 Laws of Hawaii 2009.

13

INTRODUCED BY:

W. D. O. J. K.
by request



Report Title:

Hawaii Public Procurement Code; Small Purchases; Construction

Description:

Requires competitive bidding on small purchases of construction contracts for drilling and soil testing.

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