



GOV. MSG. NO. 1171

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

April 24, 2012

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Sixth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

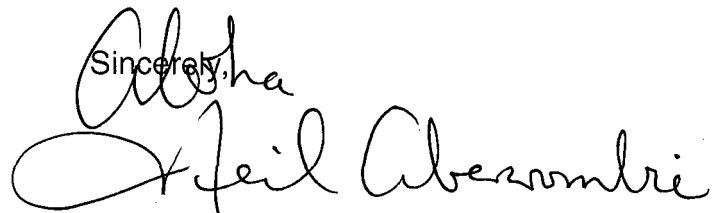
The Honorable Calvin Say, Speaker  
and Members of the House  
Twenty-Sixth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on April 24, 2012, the following bill was signed into law:

SB2872 HD1

RELATING TO PROCUREMENT.  
**Act 070 (12)**

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

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# A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1           SECTION 1. Section 103D-309, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:  
3           "(c) In any contract [~~pursuant to section 264-33~~]  
4 involving not only state or county funds but supplemental funds  
5 from a utility, this section shall be applicable to that portion  
6 of the contract price payable out of state or county funds as  
7 well as that portion of the contract price payable out of funds  
8 from a utility, or payable out of state or county funds paid to  
9 a utility. The State or county may certify that there are  
10 sufficient funds for the utility's portion of the contract price  
11 if the amounts that a utility is obligated to pay under a legal  
12 agreement between the utility and the State, or a county, are  
13 sufficient to pay that portion of the contract price and the  
14 legal agreement:

15           (1) Includes a specific description of the utility's share  
16               of the payment and terms of that payment;



1 (2) Allows the State, county, or utility to provide  
2 progress payments or final payment based on the actual  
3 cost after a project is completed; and

4 (3) Provides that in the event the State, county, or  
5 utility is delinquent in payments under the legal  
6 agreement, the State, county, or utility shall be  
7 responsible for any and all additional costs  
8 attributable to such late payment.

9 Any such legal agreement shall be executed prior to the  
10 execution of the state or county contract and shall not  
11 jeopardize any federal, state, or county funds.

12 For the purposes of this subsection:

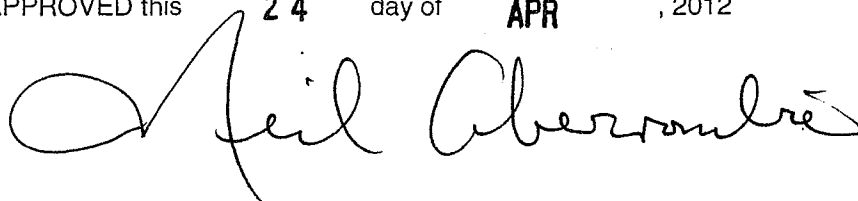
13 "Legal agreement" includes a utility agreement, memorandum  
14 of understanding, or memorandum of agreement.

15 "Utility" means a utility company or entity."

16 SECTION 2. Statutory material to be repealed is bracketed  
17 and stricken.

18 SECTION 3. This Act shall take effect on July 1, 2012.

APPROVED this 24 day of APR, 2012



GOVERNOR OF THE STATE OF HAWAII