
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. Chapter 103D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§103D- Substitution of subcontractors. (a)

5 Notwithstanding any provision to the contrary, a contractor may
6 substitute a subcontractor in place of the subcontractor listed
7 in the original bid or proposal pursuant to sections 103D-302(b)
8 and 103D-303(b) without the consent of the procurement officer
9 of the purchasing agency; provided that:

10 (1) The subcontractor who is listed in the original bid or
11 proposal and who is being substituted has consented in
12 writing to the substitution;

13 (2) The substituting subcontractor is equally qualified as
14 the subcontractor listed in the original bid or
15 proposal; and

16 (3) Seventy-five per cent of any cost savings achieved
17 from the substitution of the subcontractor shall be
18 refunded to the purchasing agency by the contractor."



1 SECTION 2. Section 103D-302, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) An invitation for bids shall be issued, and shall
4 include a purchase description and all contractual terms and
5 conditions applicable to the procurement. If the invitation for
6 bids is for construction, it shall specify that all bids include
7 the name and location of the place of business of each person or
8 firm to be engaged by the bidder as a joint contractor or
9 subcontractor in the performance of the contract and the nature
10 and scope of the work to be performed by each. Construction
11 bids that do not comply with this requirement may be accepted if
12 acceptance is in the best interest of the State and the value of
13 the work to be performed by the joint contractor or
14 subcontractor is equal to or less than one per cent of the total
15 bid amount."

16 SECTION 3. Section 103D-303, Hawaii Revised Statutes, is
17 amended by amending subsection (b) to read as follows:

18 "(b) Proposals shall be solicited through a request for
19 proposals. The request for proposals shall specify that all
20 proposals include the name and location of the place of business
21 of each person or firm to be engaged by the offeror as a joint



1 contractor or subcontractor in the performance of the contract
2 and the nature and scope of the work to be performed by each."

3 SECTION 4. 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 5. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 6. This Act shall take effect on July 1, 2112.



Report Title:

Procurement; Construction; Subcontractors; Substitution; Savings

Description:

Requires solicitations for procurement of construction to require offerors to list joint contractors or subcontractors. Allows substitution of subcontractors if seventy-five per cent of savings, if any, resulting from the substitution is refunded to the purchasing agency. Effective July 1, 2112. (HB1686 HD1)

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