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# A BILL FOR AN ACT

RELATING TO THE STATE 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 parcelling.**

4 (a) Procurements of less than \$100,000 for goods or services,  
5 or \$250,000 for construction shall be made in accordance with  
6 procedures set forth in rules adopted by the policy board that  
7 are designed to ensure administrative simplicity and as much  
8 competition as is practicable; provided that multiple  
9 expenditures shall not be created at the inception of a  
10 transaction or project so as to evade the requirements of this  
11 chapter; and provided further that procurement requirements  
12 shall not be artificially divided or parceled so as to  
13 constitute a small purchase under this section.

14 (b) Procurements [~~of~~] greater than \$50,000 for  
15 construction under subsection (a) shall require security by [~~a~~]  
16 performance [~~bond~~] and payment bonds, pursuant to section 103D-  
17 324, delivered to the [~~purchasing agency~~] procurement officer,  
18 that is:



- 1 (1) In a form prescribed by the rules of the policy board;
- 2 (2) Executed by a surety company authorized to do business
- 3 in this State; and
- 4 (3) In an amount equal to one hundred per cent of the
- 5 price specified in the contract,

6 or shall otherwise be secured by a performance bond in a manner  
 7 satisfactory to the ~~[purchasing agency.]~~ procurement officer.

8 (c) Procurements of \$25,000 to less than ~~[\$100,000]~~  
 9 \$250,000 shall be made in accordance with small purchase  
 10 procedures; provided that such small purchase procurements  
 11 through an electronic system shall be required ~~[after the policy~~  
 12 ~~board has adopted rules for electronic procurement and provided~~  
 13 ~~training to the affected agency]."~~

14 SECTION 2. Act 175, Session Laws of Hawaii 2009, section  
 15 14, as amended by section 1 of Act 107, Session Laws of Hawaii  
 16 2010, is amended to read as follows:

17 "SECTION 14. This Act shall take effect on July 1, 2009;  
 18 provided that[÷

19 ~~(1) Part I]~~ section 1 shall be repealed on July 1, 2012,  
 20 and ~~[sections]~~ section 103D-102 ~~[and 103D-305]~~, Hawaii  
 21 Revised Statutes, shall be reenacted in the form in



1           which [~~they~~] it read on the day before the effective  
2           date of this Act[~~;~~ and

3       ~~(2) Sections 7, 9, and 10 of this Act shall be repealed on~~  
4       ~~July 1, 2011, and sections 103D-709, 103D-710(c), and~~  
5       ~~103D-710(c), Hawaii Revised Statutes, shall be~~  
6       ~~reenacted in the form in which they read on the day~~  
7       ~~before the effective date of this Act]."~~

8           SECTION 3. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10          SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Procurement; Small Purchases; Electronic Procurement

**Description:**

Makes permanent the amendments made to section 103D-305, Hawaii Revised Statutes by Act 175, Session Laws of Hawaii 2009. Amends section 103D-305, Hawaii Revised Statutes, to clarify procurement officer responsibilities; require procurements greater than \$50,000 for construction to require performance and payment bonds; and require procurements of \$25,000 to less than \$250,000 to be made in accordance with small purchase procedures. Effective 07/01/2050. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

