

JAN 18 2013

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) Not
5 withstanding 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 submitted pursuant to sections
8 103D-302(b) and 103D-303(b) without the consent of the
9 procurement officer 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 substituted subcontractor is as qualified as the
14 subcontractor listed in the original bid or proposal;
15 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[~~7~~] 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[~~7~~] with a contract value in excess of
7 \$500,000, it shall specify that all bids include the name and
8 location of the place of business of each person or firm to be
9 engaged by the bidder as a joint contractor or subcontractor in
10 the performance of the contract and the nature and scope of the
11 work to be performed by each[~~7~~], provided that the value of the
12 work to be performed by the joint contractor or subcontractor is
13 in excess of \$25,000. Construction bids that do not comply with
14 this requirement may be accepted if acceptance is in the best
15 interest of the State and the value of the work to be performed
16 by the joint contractor or subcontractor is equal to or less
17 than one per cent of the total bid amount."

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

20 "(b) Proposals shall be solicited through a request for
21 proposals. If the request for proposals is for construction
22 with an estimated contract value in excess of \$500,000, the



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1 request for proposals shall specify that all proposals include
2 the name and location of the place of business of each person or
3 firm to be engaged by the offeror as a joint contractor or
4 subcontractor in the performance of the contract and the nature
5 and scope of the work to be performed by each, provided that the
6 value of the work to be performed by the joint contractor or
7 subcontractor is in excess of \$25,000."

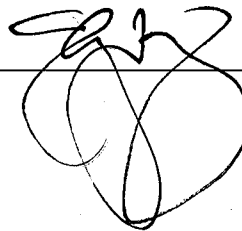
8 SECTION 4. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 5. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 6. This Act shall take effect upon its approval.

14

INTRODUCED BY: _____

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Report Title:

Procurement; Construction; Subcontractors; Substitution; Savings

Description:

Requires solicitations for procurement of construction to require offerors to list subcontractors if the value of the contract is in excess of \$500,000 and the work to be performed by the subcontractor is in excess of \$25,000. Allows substitution of subcontractors if 75% of saving resulting from the substitution are refunded to the purchasing agency.

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

