
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. Section 103D-709, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) The party initiating a proceeding falling within
4 subsection (d) shall pay to the department of commerce and
5 consumer affairs a cash or protest bond in the amount of:

6 (1) [~~\$1,000 for a contract with an estimated value of~~]
7 One-half of one per cent of the estimated value of the
8 contract if the estimated value of the contract is
9 less than \$500,000;

10 (2) [~~\$2,000 for a contract with an estimated value of~~] One
11 per cent of the estimated value of the contract if the
12 estimated value of the contract is \$500,000 or more,
13 but less than \$1,000,000; or

14 (3) [~~One-half~~] Two per cent of the estimated value of the
15 contract if the estimated value of the contract is
16 \$1,000,000 or more [~~; provided that in no event shall~~



1 ~~the required amount of the cash or protest bond be~~
2 ~~more than \$10,000].~~

3 If the initiating party prevails in the administrative
4 proceeding, the cash or protest bond shall be returned to that
5 party. If the initiating party does not prevail in the
6 administrative proceeding, the cash or protest bond shall be
7 deposited into the general fund."

8 SECTION 2. The comptroller of the department of accounting
9 and general services, the superintendent of the department of
10 education, and the director of the department of transportation
11 shall each submit an annual report to the legislature on the
12 number of protests and outcomes resulting from this change in
13 valuation of protest bonds, no later than twenty days prior to
14 the convening of the regular session.

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect on January 1, 2050;
18 provided that on July 1, 2025, section 1 of this Act shall be
19 repealed and section 103D-709(e), Hawaii Revised Statutes, shall
20 be reenacted in the form in which it read on the day before the
21 effective date of this Act.



Report Title:

Procurement; Protest Bond

Description:

Changes the amounts to be posted for a protest bond from a flat fee for contracts under \$1,000,000 to a percentage of the estimated value of the contract. Increases the percentage for contracts with estimated value of \$1,000,000 or more. Repeals the cap on the maximum amount of the protest bond. Adds a sunset provision. Effective 1/1/2050. (SD1)

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

