

JAN 23 2020

A BILL FOR AN ACT

RELATING TO THE HAWAII PUBLIC 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 parceling.**

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

15 (b) Procurements greater than \$50,000 for construction
16 under subsection (a) shall require security by performance and



1 payment bonds, pursuant to section 103D-324, delivered to the
2 procurement officer, that are:

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

8 or shall otherwise be secured by a performance bond in a manner
9 satisfactory to the procurement officer.

10 (c) Procurements of \$25,000 to less than \$250,000 shall be
11 made in accordance with small purchase procedures; provided that
12 such small purchase procurements through an electronic system
13 shall be required.

14 (d) A procurement of less than \$50,000 to contract for
15 drilling work and soil testing for construction shall be made by
16 competitive sealed bidding; provided that the bid request shall
17 be advertised to the public on the department of accounting and
18 general services' website; and provided further that the bid for
19 drilling and soil testing shall be separate from a bid for
20 engineering work on the same project."



S.B. NO. 3087

Report Title:

Procurement; Drilling; Soil Testing; Contracts Less Than \$50,000; Competitive Sealed Bid

Description:

Requires a construction procurement of less than \$50,000 to contract for drilling work and soil testing to be conducted by competitive sealed bidding. Requires the bid request to be advertised to the public on the Department of Accounting and General Services' website. Requires a bid for drilling and soil testing to be separate from a bid for engineering work on the same project.

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