

A Bill for an Act Relating to Public Money and Public Contracts.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 103-32, Hawaii Revised Statutes, is amended to read:

**“Sec. 103-32 Contracts to be in writing; lowest responsibility bidder.** All contracts shall be in writing and shall be executed in the name of the State, county, or the board, bureau, or commission thereof authorized to let contracts in its own name, as the case may be, by the officer letting the contracts, and shall be made with the lowest responsible bidder, except as provided for in section 103-43 and section 103- , if the bidder qualifies by providing the security required by sections 103-34 to 103-37. If the lowest bid or any other bid is rejected, or if the bidder to whom the contract was awarded fails to enter into the contract and furnish satisfactory security, the officer may, in his discretion, award the contract to the lowest remaining responsible bidder or may publish another call for tenders as provided in section 103-26; provided that at his discretion the officer, after determining the lowest responsible bidder, may negotiate with such bidder to reduce the scope of work and to award the contract at a price which reflects the reduction in the scope of work.”

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

**“Sec. 103- Out-of-state purchases.** Where the bidder or vendor is an out-of-state vendor not doing business in the state, the package bid or purchase

price, for the purpose of determining the lowest price bid, shall be increased by the applicable retail rate of general excise tax. The lowest responsible bidder, taking into consideration the above increase, shall be awarded the contract, but the contract amount of any contract awarded shall be the amount of the bid offered and shall not include the amount of said increase.”

SECTION 3. Material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.\*

SECTION 4. This Act shall take effect upon its approval.

(Approved March 22, 1971.)

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\* Edited accordingly.