

ACT 26

S.B. NO. 2319

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 103-28, Hawaii Revised Statutes, is amended to read as follows:

“§103-28 Deposits of legal tender, etc., to accompany bid. All bids shall be accompanied by a deposit of legal tender or by a certificate of deposit, cashier’s check, or certified check on a bank that is insured by the Federal Deposit Insurance Corporation, or on a savings institution insured by the Federal Savings and Loan Insurance Corporation, or by a share certificate issued by a credit union insured by

the National Credit Union Administration, in a sum not less than five per cent of the amount bid, payable at sight or unconditionally assigned to the officer advertising for tenders; provided that when the amount bid exceeds \$50,000, the legal tender, certificate of deposit, share certificate, cashier's check, or certified check shall be in a sum not less than \$2,500, plus two per cent of the amount in excess of \$50,000. Notwithstanding the foregoing, in solicitations for price-term, open-end, and requirements contracts a maximum deposit of \$2,500 shall apply; provided that a standing deposit of \$2,500 may be furnished to the comptroller and held by the comptroller for a period convenient to the bidder. During the period held by the comptroller, the standing deposit shall be sufficient for all bids submitted by the bidder for price-term, open-end, or requirements contracts. A certificate of deposit, share certificate, cashier's check, or certified check may be utilized only to a maximum of \$100,000.

A bid deposit for a bid requiring a deposit in excess of \$100,000 shall be in the form of legal tender or a surety bond conforming to the requirements of section 103-31."

SECTION 2. Section 103-30, Hawaii Revised Statutes, is amended to read as follows:

“§103-30 Forfeiture of deposits, etc.; return thereof. If the bidder to whom the contract is awarded fails or neglects to enter into the contract and furnish satisfactory security, as required by sections 103-34 to 103-37 within ten days after the award or within [such further] the time as the officer awarding the contract may allow, the officer shall pay the amount of the deposit into the treasury as a realization of the State, county, or other governmental agency, as the case may be. Deposit forfeiture for price-term, open-end, and requirements contracts shall be for five per cent of the amount bid, up to a maximum of \$2,500 regardless of the amount bid. If the contract is entered into and the security furnished within the required time, the deposit, certificate, or check shall be returned to the successful bidder. The deposits made by the unsuccessful bidders shall be returned to them after the contract is entered into or, if the contract is not awarded or entered into, after the officer's determination to publish another call for tenders]; provided that inactive standing deposits shall be retained or returned at the option of the bidder.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 28, 1988.)