## A BILL FOR AN ACT

RELATING TO THE 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 of less than \$50,000 for goods, services, or
- 5 construction, except as provided in subsection (c), shall be
- 6 made in accordance with procedures set forth in rules adopted by
- 7 the policy board that are designed to ensure administrative
- 8 simplicity and as much competition as is practicable; provided
- 9 that multiple expenditures shall not be created at the inception
- 10 of a transaction or project so as to evade the requirements of
- 11 this chapter; and provided further that procurement requirements
- 12 shall not be artificially divided or parceled so as to
- 13 constitute a small purchase under this section.
- 14 (b) Procurements of \$25,000 to less than \$50,000 shall be
- 15 made in accordance with small purchase procedures; provided that
- 16 small purchase procurements through an electronic system shall
- 17 be required after the policy board has adopted rules for



- 1 electronic procurement and provided training to the affected
- 2 agency.
- 3 (c) Construction procurements of less than \$50,000 to
- 4 contract for drilling work and soil testing shall be made by
- 5 competitive sealed bid; provided that the bid request shall be
- 6 advertised to the public on the department's website; and
- 7 provided further that the bid for drilling and soil testing
- 8 shall be separate from a bid for the engineering work on the
- 9 same project."
- 10 SECTION 2. New statutory material is underscored.
- 11 SECTION 3. This Act shall take effect on October 1, 2008.

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INTRODUCED BY:

JAN 1 8 2008

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## Report Title:

Public Procurement Code; Small Purchases; Construction

## Description:

Requires competitive bidding on small purchases of construction contracts for drilling and soil testing.