
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. The legislature finds that the delivery and
2 award of public works construction projects can be hindered by
3 bid challenges resulting in a lapse in funding and other
4 procurement issues. Many times there are communications from a
5 bidder indicating flaws or technical discrepancies in a low-
6 bidder's proposal before a determination has been made that the
7 low bidder is the responsible and responsive bidder. Several
8 recent informal inquiries and bid challenges related to
9 subcontractor listing and licensing issues have caused major
10 delays and cost increases for public works construction
11 projects.

12 The legislature further finds that due to the large number
13 of licenses available, it has become increasingly difficult for
14 general contractors to verify whether a subcontractor has the
15 proper license to perform the type of work that the
16 subcontractor has been contracted to perform. Ensuring that
17 subcontractors meet all of the necessary requirements to perform



1 contracted work on State and county projects will address
2 licensing concerns and greatly minimize bid challenges
3 pertaining to the verification of subcontractor qualifications
4 and licensing.

5 The purpose of this Act is to authorize procurement
6 officers to consider a previously licensed and listed
7 subcontractor's license as valid; provided that certain
8 conditions are satisfied.

9 SECTION 2. Section 103D-302, Hawaii Revised Statutes, is
10 amended by amending subsection (g) to read as follows:

11 "(g) Correction or withdrawal of inadvertently erroneous
12 bids before or after award, or cancellation of invitations for
13 bids, awards, or contracts based on such bid mistakes, shall be
14 permitted in accordance with rules adopted by the policy board.
15 After bid opening no changes in bid prices or other provisions
16 of bids prejudicial to the interest of the public or to fair
17 competition shall be permitted[~~-~~]; provided that the procurement
18 officer may consider a listed subcontractors license as valid if
19 the subcontractor was previously licensed to perform the scope
20 of work indicated, and if at the time of award or within sixty



1 days of bid opening, whichever is sooner, all listed
2 subcontractors are appropriately licensed.

3 Except as otherwise provided by rule, all decisions to
4 permit the correction or withdrawal of bids, or to cancel awards
5 or contracts based on bid mistakes, shall be supported by a
6 written determination made by the chief procurement officer or
7 head of a purchasing agency."

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on February 19,
11 2022.



Report Title:

Procurement Officers; Competitive Sealed Bidding;
Subcontractors; Licensing

Description:

Authorizes procurement officers to consider a previously
licensed and listed subcontractor's license as valid; provided
that certain conditions are satisfied. (SB3092 HD1)

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

