
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
18 contracted work on State and county projects will address



1 licensing concerns and greatly minimize bid challenges
2 pertaining to the verification of subcontractor qualifications
3 and licensing.

4 The purpose of this Act is to authorize procurement
5 officers to consider a previously licensed and listed
6 subcontractor's license as valid; provided that certain
7 conditions are satisfied, and require subcontractors to submit a
8 time stamped offer to a contractor two hours before the
9 established bid deadline.

10 SECTION 2. Section 103D-104, Hawaii Revised Statutes, is
11 amended by adding a new definition to be appropriately inserted
12 and to read as follows: . . .

13 "Ministerial act" means an act that does not involve
14 judgment or discretion and is required based on established
15 criteria or a set of adopted requirements as established by
16 law."

17 SECTION 3. Section 103D-302, Hawaii Revised Statutes, is
18 amended by amending subsection (g) to read as follows:

19 "(g) Correction or withdrawal of inadvertently erroneous
20 bids before or after award, or cancellation of invitations for
21 bids, awards, or contracts based on such bid mistakes, shall be



1 permitted in accordance with rules adopted by the policy board.
2 After bid opening no changes in bid prices or other provisions
3 of bids prejudicial to the interest of the public or to fair
4 competition shall be permitted[-]; provided that the procurement
5 officer may consider a previously licensed and listed
6 subcontractor's license as valid if the subcontractor's license
7 at bid time has been suspended or forfeited due solely to a
8 ministerial act, pursuant to chapter 444, and the
9 subcontractor's license is restored prior to the award.

10 Except as otherwise provided by rule, all decisions to
11 permit the correction or withdrawal of bids, or to cancel awards
12 or contracts based on bid mistakes, shall be supported by a
13 written determination made by the chief procurement officer or
14 head of a purchasing agency."

15 SECTION 4. Section 103D-310, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) Unless the policy board, by rules, specifies
18 otherwise, before submitting an offer, a prospective offeror,
19 not less than ten calendar days prior to the day designated for
20 opening offers, shall give written notice of the intention to
21 submit an offer to the procurement officer responsible for that



1 particular procurement [-]; provided that a subcontractor shall
2 submit a time stamped offer to a contractor two hours before the
3 established bid deadline; provided further that a subcontractor
4 who does not comply with the two hour requirement shall be
5 disqualified from consideration."

6 SECTION 5. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 6. This Act shall take effect upon its approval.

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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. Requires subcontractors to submit a time stamped offer to a contractor two hours before the established bid deadline; provided that a subcontractor who does not comply with the two hour requirement is disqualified from consideration. (SD1)

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

