

JAN 22 2015

A BILL FOR AN ACT

RELATING TO THE HAWAII 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 parcelling.

4 (a) ~~[Procurements]~~ Except as provided in subsection (d),
5 procurements of less than \$100,000 for goods or services, or
6 \$250,000 for construction shall be made in accordance with
7 procedures set forth in rules adopted by the policy board that
8 are designed to ensure administrative simplicity and as much
9 competition as is practicable; provided that multiple
10 expenditures shall not be created at the inception of a
11 transaction or project so as to evade the requirements of this
12 chapter; and provided further that procurement requirements
13 shall not be artificially divided or parceled so as to
14 constitute a small purchase under this section.

15 (b) Procurements greater than \$50,000 for construction
16 under subsection (a) shall require security by performance and



S.B. NO. 6

1 payment bonds, pursuant to section 103D-324, delivered to the
2 procurement officer, that are:

- 3 (1) In a form prescribed by the rules of the policy board;
4 (2) Executed by a surety company authorized to do business
5 in this State; and
6 (3) In an amount equal to [~~one hundred~~] 100 per cent of
7 the price specified in the contract,

8 or shall otherwise be secured by a performance bond in a manner
9 satisfactory to the procurement officer.

10 (c) Procurements of \$25,000 to less than \$250,000 shall be
11 made in accordance with small purchase procedures; provided that
12 such small purchase procurements through an electronic system
13 shall be required.

14 (d) Construction procurements of less than \$50,000 to
15 contract for drilling work and soil testing shall be made by
16 competitive sealed bid; provided that the bid request shall be
17 advertised to the public on the department of accounting and
18 general services' website; provided further that the bid for
19 drilling and soil testing shall be separate from a bid for the
20 engineering work on the same project."



S.B. NO. 6

1 SECTION 2. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

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

7

BR

INTRODUCED BY: SEN. ERL



S.B. NO. 6

Report Title:

Hawaii Public Procurement Code; Small Purchases; Construction;
Drilling Work; Soil Testing

Description:

Requires competitive bidding on construction procurements less than \$50,000 to contract for drilling work and soil testing. Requires that the bid for drilling and soil testing be separate from a bid for engineering work on the same project.

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

