

JAN 25 2017

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 subcontractor's license as valid if the
7 subcontractor was licensed to perform the scope of work
8 indicated at the time of award. This Act is not intended to
9 curtail either enforcement of unlicensed activity or enforcement
10 of laws and rules relating to licensed contractors.

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

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



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

6 SECTION 3. Statutory material to be repealed is bracketed
 7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect upon its approval.
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S.B. NO. 1068

Report Title:

Procurement Officers; Competitive Sealed Bidding;
Subcontractors; Licensing

Description:

Authorizes procurement officers to consider a subcontractor's license as valid if it was valid at the time of award of a bid.

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