
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

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

1 SECTION 1. Section 103D-324, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Unless the policy board determines otherwise by
4 rules, the following bonds or security shall be delivered to the
5 purchasing agency and shall become binding on the parties upon
6 the execution of the contract if the contract which is awarded
7 exceeds \$25,000 and is for construction, or the purchasing
8 agency secures the approval of the chief procurement officer:

9 (1) A performance bond in a form prescribed by the rules
10 of the policy board, executed by a surety company
11 authorized to do business in this State or otherwise
12 secured in a manner satisfactory to the purchasing
13 agency in an amount equal to one hundred per cent of
14 the price specified in the contract;

15 (2) A payment bond in a form prescribed by the rules of
16 the policy board, executed by a surety company
17 authorized to do business in this State or otherwise
18 secured in a manner satisfactory to the purchasing



1 agency, for the protection of all persons supplying
2 labor and material to the contractor for the
3 performance of the work provided for in the contract.
4 The bond shall be in an amount equal to one hundred
5 per cent of the price specified in the contract; or
6 (3) A performance and payment bond which satisfies all of
7 the requirements of paragraphs (1) and (2) [-] i
8 provided that for purposes of this subsection a surety company
9 shall be independent from any of the parties of the awarded
10 contract, which shall include any individuals or companies
11 involved with the awarded contract; shall not be revoked or
12 dismissed until ninety days after completion of the project and
13 all claims, torts, and liens have been settled; and shall be
14 included in the United States Department of the Treasury's
15 listing of approved sureties as found in Department Circular
16 570."

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

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2050.

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Report Title:

Procurement Code; Performance Bonds; Payment Bonds

Description:

Establishes additional requirements for surety companies that execute performance and payment bonds pursuant to the Hawaii Public Procurement Code. Effective July 1, 2050. (SD1)

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

