

JAN 19 2018

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 parceling.

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



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 per cent of the
7 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. 2470

Report Title:

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

Description:

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

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